

# Canada 'concerned' over oil sands, but says side issue to EU FTA talks

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The Canadian government is concerned about any European Union initiative which could block or constrain imports of refined products from the Alberta oil sands, Trade Minister Peter Van Loan said Monday, but added that Canada and the EU were working to resolve the issue outside of ongoing free trade talks.

He was commenting in an e-mail on media reports out of Brussels that Canada was threatening to walk away from a proposed free trade agreement with the European Union if the EU persists in advising fuel suppliers to be more aggressive about carbon-intensive imports.

"The Government of Canada remains concerned with respect to the proposed treatment of Canadian oil sands resources under the EU Fuel Quality Directive," Van Loan said.

"Oil sands-derived fuel should be treated on a similar basis as other crude oil sources and decisions must be based on sound scientific evidence.

"Canada and the EU are working to resolve this issue outside of the negotiations towards a free trade deal." In 2009, the EU proposed a climate legislation that would have restricted probable fuel imports from Alberta's oil sands in the future.

The initial draft of the policy, designed to promote greener fuels, discouraged the use of oil sands products by ranking them as one of the highest carbon emitters. Following petitions and lobbying from diplomats in Ottawa suggesting that the legislation could be seen as a barrier to the signing of a free trade agreement between Canada and the EU, European experts have sought more time to study the issue.