

# Deep Integration and Energy

Discussions on deep integration make frequent reference to a “North American energy market,” or “North American energy security.” The rich business leaders controlling the Security and Prosperity Partnership of North America (SPP) prefer a simpler term: energy integration. Whatever you call it, the plan would hand control of Canada’s oil and gas reserves to American companies, and tie the Canadian economy to an environmentally catastrophic energy supply at the expense of our domestic needs.

## U.S.-owned oil sands

As it is, over 50 per cent of Alberta’s Athabasca oil sands production is already U.S.-owned. These companies pay a measly 1 per cent royalty to the Alberta government for the right to extract oil – one of the lowest rates paid anywhere in the world for similar privileges.

Canada recently replaced Saudi Arabia as the United States’ top supplier of oil. We now export 65 per cent of our oil to the U.S. and yet we have to import 55 per cent of the oil that Canada needs from Algeria, Venezuela and Norway. The proportionality clause in the North American Free Trade Agreement (NAFTA) ties us to these export levels so that even in the event of energy shortages, we would have to continue piping oil and gas south at the same rate as we do now. A further integrated energy market could tie Canada to even higher export levels, forcing Canadians to pay the price in times of need.



## Environmental impact

Oil sands production is destroying the environment at an alarming rate. Alberta is poised to become one of the world’s main sources of greenhouse gas emissions. Oil sands development destroys vast tracts of land, clears forests, and consumes 26 per cent of Alberta’s groundwater. It takes at least six

barrels of water to extract just one barrel of oil. The resulting toxic wastewater cannot be put back into circulation, so it sits in 50-square-kilometre pools visible from space.

At the Council of Canadians, we believe that a Canadian energy security strategy should include:

1. A moratorium on new oil sands development until a full environmental and social assessment can be done;
2. A pivotal role for renewable energy that doesn’t tie us to oil and gas from environmentally catastrophic sources like the Alberta oil sands;
3. An exemption of energy from NAFTA’s proportional sharing clause, similar to the one Mexico negotiated with the U.S. before signing the deal;
4. A return to Canada’s previous policy of maintaining a 25-year supply of oil and gas to meet domestic needs first.

Canada needs an independent energy security plan that doesn’t tie us to U.S. interests and to the U.S. economy. The real agenda behind “energy integration” is the corporate sector’s willingness to give U.S. oil and gas companies a monopoly on how we power Canada’s future. We deserve better.