

GOING SOUTH

CONTROVERSIAL PIPELINE WILL HAVE DISASTROUS ENVIRONMENTAL CONSEQUENCES AND COULD THREATEN CANADA'S ENERGY SECURITY

The Mackenzie Gas Project is even bigger than a “mega-project.” The \$7 billion project would develop three major industrial gas fields north of Inuvik, and build two underground natural gas pipelines to carry gas to northern Alberta. It’s more like a “mega-mega project” – one with serious environmental consequences for the Northwest Territories and for the stability of Canada’s energy supply.

The pipeline would transport natural gas extracted in the Mackenzie Delta to Alberta through a 1,300-kilometre pipeline, before connecting to existing pipelines that move gas to U.S. markets. The project, spearheaded by Imperial Oil, also includes Shell Canada, Conoco Phillips, ExxonMobil, and the Aboriginal Pipeline Group.

Over 40 per cent of the pipeline is set to go through territory owned by the Deh Cho First Nation (which is not a member of the Aboriginal Pipeline Group). Deh Cho leaders reached an agreement with the federal government on July 11, 2005, dropping two lawsuits demanding greater participation in the pipeline review process, in exchange for over \$30 million and a guarantee that they will be included in future negotiations. Still, the Deh Cho Nation hasn’t officially endorsed the project, and continues to raise objections about its implications, along with the Arctic Indigenous Youth and the Dene Tha’ First Nation, among other groups.

While proponents of the Mackenzie Gas Project say that it will create jobs and free up much-needed energy supplies,

the Council of Canadians opposes the project for the following reasons:

1. IT WILL NOT CREATE JOBS.

The big oil companies that are behind the project are claiming that it will create thousands of jobs, and give a boost to the Northern economy. While the construction of the pipeline could provide short-term jobs, only about 50 employees will be required to maintain the pipeline after it’s been built.

2. IT WILL HAVE A TERRIBLE IMPACT ON THE ENVIRONMENT.

Despite denials from industry spokespeople, it is extremely likely that the pipeline will be used to fuel the extraction of the Athabasca tar sands. According to the Sierra Club of Canada, the tar sands industry’s demand for natural gas will increase threefold by 2015 – from 0.6 Bcf (billion cubic feet) per day to 1.8 Bcf per day – which will then be roughly the capacity of the Mackenzie Valley pipeline.

In other words, the gas project will encourage the use of clean fuel (natural gas) to produce dirtier fuel (oil). According to the Sierra Club of Canada, tar sands production of greenhouse gas emissions is projected to increase to 70 megatonnes by 2010. This would make it impossible for Canada to even come close to the reduction objectives required to comply with the Kyoto Protocol.

In addition, oil extraction uses an enormous amount of water – three barrels of water for each barrel of oil. The extraction process converts a good share of this water into toxic waste, permanently

removing it from the hydrological cycle. The scarcity of oil is directly contributing to a global water crisis.

3. IT WILL THREATEN CANADA'S ENERGY SECURITY.

Canada currently exports over 60 per cent of its oil and gas to the United States. If the natural gas extracted in the Mackenzie Delta is almost entirely exported to the U.S., this percentage will increase. Because of the “proportional sharing” clause in the North American Free Trade Agreement (NAFTA), this percentage can never be reduced, even if Canada were to face shortages. Ironically, the increased production of natural gas might become detrimental to Canada’s energy security.

The Sierra Club of Canada has launched a campaign called Mackenzie Wild, aiming at protecting the biodiversity of the Mackenzie Valley, respecting the rights of Mackenzie Valley Indigenous people, and supporting Canada’s commitments to protect the global atmosphere. The Council of Canadians has signed the Mackenzie Wild declaration, expressing our objection to the pipeline project and demanding more responsible environmental stewardship of the Canadian North.

To sign the Mackenzie Wild declaration, visit www.mackenziewild.ca. For more information on the Mackenzie Valley Gas Project, check out the Council’s website at www.canadians.org.

Guy Caron is a Campaigner for The Council of Canadians.