

AN ENERGY GOLD RUSH THE SPP HANDS CONTROL OF CANADA'S ENERGY TO THE OIL AND GAS INDUSTRY

by Jean-Yves LeFort

Energy, mainly the stuff coming out of Alberta's tar sands, is arguably the sticky goo holding the Security and Prosperity Partnership of North America together. But you probably haven't heard much about "energy integration" in the mainstream media. The term is somewhat nebulous, and doesn't come close to describing the very real impact that a harmonized Canada-U.S. energy strategy will have on Canadians' day-to-day lives.

There are other elements of the SPP that have already hit home with people, including the new higher pesticide levels on fruits and vegetables mandated by the agreement, and the controversy surrounding closed-door talks on bulk exports of Canada's water. But if the U.S. government has its way, we will see a fivefold increase in production in Alberta's tar sands in the coming years, with disastrous environmental implications. And if the plan for wholesale North American energy integration is allowed to continue, Canadians could be left short in times of need.

Despite the fact that many Canadians are unaware of the significance of energy integration, the process has been under way for several years now and is being negotiated by a series of cross-border working groups made up of industry and government officials. In fact, energy integration has already become deeply entrenched as Canada has taken on new obligations toward the United States.

CORPORATE DRIVERS

The SPP is a far-reaching agreement, which is being implemented in a piecemeal fashion throughout the bureaucratic structures of Canada, the U.S. and Mexico – neatly bypassing the elected legislatures of all three countries.

The corporate members of the North American Competitiveness Council – the advisory committee to the SPP – have been the biggest drivers of the plan for energy integration, setting it as one of their top three priorities in their report to the leaders of Canada, the U.S. and Mexico in February 2007.

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The first step toward energy integration occurred in 2005, when the SPP incorporated the North American Energy Working Group (NAEWG) into its structure. The group was initially created as the brainchild of the Bush-Cheney administration in 2001.

In a 2005 address to the Canadian Council of Chief Executives (CCCE), then U.S. energy secretary Samuel Bodman declared: "Since taking office in 2001, the Bush administration has worked to achieve a fully integrated single North American market, one that will ... ensure a secure and reliable supply of energy."

According to the group's website, the NAEWG is made up of a series of subsidiary "expert groups" that convene regularly to "... build work plans and develop mutually beneficial deliverables, continuously identifying and implementing areas of cooperation within the continental energy market."

According to Natural Resources Canada, the Agreement for Cooperation in Energy Science and Technology, signed in July 2007, "allows for ... trilateral cooperation in mutually beneficial

research, development and deployment on a wide range of energy technologies for peaceful uses, including renewable energy, energy efficiency, nuclear energy, fossil fuels and electricity."

This statement seems to imply that nothing is off limits and the agreement has room to grow. The language of the agreement clearly states that the parties can add areas or "forms of cooperation" as they see fit. One has to wonder why a treaty of this importance wasn't brought before Parliament for debate and subsequent vote.

The implications here are clear. Canada's energy resources are now considered "continental" energy resources. And an unelected, unaccountable group of corporate leaders and government officials is quietly putting energy integration into place, away from the scrutiny of citizens.

WHAT'S THE POINT?

Based on their statements to date, we can infer that the intent of the North American Energy Working Group is to limit government intervention, bow to the whims of the energy corporations, and harmonize rules across the border.

In January 2006, the Oil Sands Experts Group met in Houston, Texas. In the group's own words, the meeting "brought together experts representing the oil sands industry, refiners, marketers, pipeline companies and government to address ... value added development in Canada or the oil sands."

The "experts" present in Houston called the Canadian government to "... streamline the regulatory approval process."

The NACC recommendations to the leaders likewise stated that "... convergence on environmental standards is a necessary condition for true energy market integration over the long term."

The intention is ultimately to facilitate a rapid expansion of the tar sands based only on what the market – in this case

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the U.S. market – demands. The tar sands have already contributed to an environmental catastrophe, including the clear-cutting of the boreal forest, massive water depletion and carbon dioxide emissions. It's hard to imagine what would happen to northern Alberta's ecosystem if a planned "fivefold expansion" of the tar sands became a reality under "streamlined" environmental standards.

BOOM FOR WHOM?

A de facto energy policy based on continental integration raises a couple of questions. First, who is going to benefit from this policy? Certainly not Canadians. Energy integration benefits only the oil and gas conglomerates that are driving the agenda in deference to the U.S. market they wish to serve. Second, who will determine how the "continental resources" get distributed in case of an energy crunch? You can bet it won't be the Canadian government.

Canadians can face brutally cold, long winters, and heating our homes is not a luxury we can give up. Without a Canadian Energy Strategy – a strategy that will give Canadians security of their energy supplies, guaranteed access to energy reserves in times of need, and strong policies that protect our environment and focus on finding alternative, less harmful energy solutions – our country will continue to be a victim of an energy gold rush.

Politicians cannot let corporations and the market set the agenda, focusing on big business needs while ignoring the energy security needs of Canadians.

Our country is rich with energy resources, but Canadians do not have control over them. NAFTA was the first agreement to sign away Canada's control. The Harper government's commitment to the SPP gives away even more of our control. The SPP moves Canada closer to a continental resource pact that really means

secure energy resources for the United States and more money in the pockets of large corporations. Meanwhile, Canadians could be left out in the cold.

Jean-Yves LeFort is the Council of Canadians' Energy Campaigner.

FIVE REASONS WHY WE NEED A CANADIAN ENERGY STRATEGY

1. TO GIVE CANADIANS SECURITY OF SUPPLY

Thanks to NAFTA, Canada now exports 70 per cent of the oil and 61 per cent of the natural gas we produce each year to the United States. Under NAFTA, we can't ever cut back on the proportion of energy we produce and sell to the United States, even in times when our country runs short.

2. TO PROTECT OUR ENVIRONMENT

Canada's oil and gas industry – the tar sands in particular – will prevent Canada from meeting its obligations under the Kyoto Protocol on climate change. Massive pipeline projects are cutting huge swaths across the country, destroying habitats and local environments.

3. TO HELP OUR ECONOMY

The oil and gas industry is raking in record profits, but still receives significant tax breaks and subsidies from the federal government.

4. TO PROTECT OUR HEALTH AND FUTURE

The extraction process in the Alberta tar sands requires approximately five barrels of water to produce one barrel of crude oil. The remaining water is poisoned to the extent that it can no longer be used, leaving the water to sit in vast, toxic pools. Local physicians have sounded alarm

bells over rising cancer rates in communities near the tar sands.

5. TO PUT PEOPLE IN CONTROL, NOT CORPORATIONS

The Harper government continues to let oil and gas companies set the agenda. And as shown by a recently launched NAFTA lawsuit by Exxon-Mobil and Murphy Oil, big oil companies will use trade agreements to resist even modest provincial demands.

– Jan Malek



Christina Riley