

Auspice Canadian Oil Sands Facts 2015

In 2011, The API (American Petroleum Institute) published a report called "*Canadian Oil Sands - Enhancing America's Energy Security*". ¹

We have put together this brief summary because we believe that every Canadian and American should understand its contents. The information may be a few years old, but the messages are as relevant as ever. Many of these are direct quotes, with little opinion from Auspice.

Background Facts, as stated:

- Canada is the largest supplier of oil to the US, which imports twice the oil from Canada as they do from the 2nd largest - Saudi Arabia.
- Canada sends more than 99% of its oil exports to the US.
- Canadian oil reserves are vast and are some of the largest in the world (currently the world's 3rd largest proven reserves).
- Per the Oil and Gas Journal, Canada has total proven oil reserves of over 178 billion barrels with 173 billion barrels coming from the oil sands.
- Canada is the only top 5 oil supplier to the US that has greenhouse gas emissions regulations in place.

Specifically, re Oil Sands:

- The use of oil derived from the oil sands in the US is not new. ²
- CAPP (Canadian Association of Petroleum Producers) said (May 2009) that the Oil Sands now accounts for half of Canada's total oil production. ³
- On a life cycle basis, oil sands have comparable greenhouse gas emissions to other sources of oil... comparable with other crudes refined in the US.

The API recognizes the importance of Canadian Oil to the United States:

- *"The vast resources of the Canadian oil sands will play a crucial role in enhancing our (US) nations energy security..."*
- *"Canada's oil reserves can only enhance America's energy security as Canada is a friendly neighbor with whom we (USA) have an excellent trading and political relationship."*
- This political relationship matters because *"80% of world oil reserves are now owned by national oil companies of foreign governments, many formed during the past 40 years. Canada alone accounts for nearly half of the world's remaining oil reserves accessible for investment."*

The report also has input from others:

- Cambridge Energy Research stated *"if oil sands development is maximized, Canada could potentially account for as much as 37% of the US Oil imports by 2035 - up from 21% in 2009."* ⁴

- The Council of Foreign Relations noted the value of close ties with a friendly neighbor, "*A greater fraction of money used to buy Canadian oil will likely later be spent directly on US goods and services and hence contribute directly to US growth.*"⁵

API on Jobs

- "*Oils sands production supports thousands of American jobs and is a major contributor to our nation's (US) economic growth*".
- US refineries have been increasing their capabilities to refine heavier, more energy intensive crude oils for decades and these projects are providing high paying jobs for thousands of Americans.
- Canadian oil sands development is a boon to the US economy and a big job creator.
- In 2011, CERl (Canadian Energy Research Institute) stated that: US jobs supported by Canadian oil sands could grow from 21,000 to 465,000 by 2035. For every two jobs created in Canada from oil sands development, one is created in the US.⁶

Environmental Opinions

- Per the Canadian Government, the average greenhouse gas emissions per barrel in the oil sands has decreased by 39% since 1990 due to technology advancements and energy efficiency advancements.⁷
- Canadian and US companies are making the necessary investments to meet stringent environmental and other regulatory requirements to offset the impact of increased oil sands production and processing.
- The API stated "*We believe greater care in management of emissions from crude derived from the oil sands would occur in the US than if the oil is processed in other regions of the world that have less stringent environmental standards not to mention the environmental costs of transporting the crude elsewhere.*"
- The Council of Foreign Relations urged US policy makers "*to resist the misuse of other US environmental regulations to constrain oil sands*" and "*ill-conceived regulation could undermine US and Canadian climate and security goals*".
- In 2007, Alberta was the first jurisdiction in North America to pass Climate Change legislation.

Closing

- Per US Energy Secretary Steven Chu at the Global Energy Summit in June 2009 "*Canada is a close and trusted neighbor and the oil from Canada has all sort(s) of good things*".⁸

Myths and misinformation about the Canadian oil industry persist, so taking another look at the API report is a powerful reminder that not only is the Canadian Oil Industry a crucial driver of Canadian economic growth but that its strategic importance is recognized around the world.

¹ www.api.org | ²CRS Report to Congress, "North American Oil Sands: History of Development, Prospects for the Future," January 17, 2008.

³www.capp.ca | ⁴ Cambridge Energy Research Associates, "Oil Sands Move from the 'Fringe to Center' of Energy Supply," May 2009.

⁵ Council on Foreign Relations, *The Canadian Oil Sands: Energy Security vs. Climate Change*, May 2009.

⁶ CERl, "Economic Impacts of New Oil Sands Projects in Alberta (2010-2035)," May 2011 | ⁷ CAPP, "The Facts on Oil Sands, 2010."

⁸ "Technology seen key to oil sands: Chu" *Reuters*, June 1, 2009.