



Tar sands

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Tar sands (or oil sands) are a naturally occurring mixture of sand, clay or other minerals, water and bitumen. According to the International Energy Agency, Canadian oil sands are expected to assume a rapidly expanding role in meeting future oil demand. However, there are environmental concerns associated with, among other things, the carbon dioxide (CO₂) released during the extraction and processing of tar sands to produce useable fuel. Other environmental issues relate to water use, mining waste and deforestation.

The EC Fuel Quality Directive, as amended, introduces the requirement for fuel and energy suppliers (principally those providing fuel and energy for land-based transport, and other non-road mobile machinery) to reduce the lifecycle greenhouse gas (GHG) intensity of the fuel/energy that they supply by 6% per unit of energy by 2020. The European Commission has published a draft directive which sets out a methodology for determining greenhouse gas emissions; this differentiates the natural bitumen in tar sands from conventional crude oil. The Canadian Government has argued that such discrimination is unfair and not based on credible science.

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1 What are tar sands?

Tar sands, as they are called by environmentalists, or “oil sands” as they called by industry, are a naturally occurring mixture of sand, clay or other minerals, water and bitumen. Bitumen is a very heavy, thick and sticky oil that must be treated before it can be used by refineries to produce usable fuels such as gasoline and diesel.¹

Bitumen is recovered from oil sands in two ways. Both processes are very energy intensive. For oil sands near the surface, it can be mined and moved by trucks to a cleaning facility where the sand is mixed with warm water to separate the bitumen. For oil sands further beneath the surface, it is more practical to extract by in-situ methods. These methods separate the bitumen from the sand underground by using steam to heat it to a point that allows it to be pumped by a well to the surface.

Oil sands are found throughout the world, particularly in Venezuela, America and Russia. The largest and most developed oil sands deposit is in Alberta, Canada. Alberta’s three major areas contain approximately 1.7 trillion barrels of bitumen in place; proven measures indicate there are 173 billion barrels of recoverable oil in the oil sands.² The oil sands are the third-largest proven crude oil reserve in the world, after Saudi Arabia and Venezuela.³

¹ Government of Alberta website, [What is Oil Sands?](#) [on 4 July 2011]

² Government of Alberta, [Alberta’s Oil Sands](#), March 2008

³ Government of Alberta, [Facts about Alberta’s oil sands](#), February 2011

2 What are the issues?

2.1 Carbon footprint

The oil reserves are highly controversial. Environmentalists say that extracting and processing the tar has a higher carbon footprint than conventional oil production and is damaging to the environment. A report by the Co-operative Bank and WWF projects how much more carbon is released during oils sands production than conventional oil production:

The oil sands represent a carbon intensive option:

- For a conventional barrel of oil, 28.6 kg of CO₂ is emitted in its production.
- For an average barrel from the oil sands, 85.5 kg CO₂ is released in its production⁴

Tar sands projects are partly blamed for the fact that Canada has missed its Kyoto greenhouse gas (GHG) reduction targets. The Co-operative Bank/ WWF report sets this out:

Canada has a Kyoto target to achieve a 6% reduction in GHG emissions by 2012 from 1990 levels. Since the Montreal climate change conference in 2005, a new Canadian conservative government has been appointed in January 2006 and has already announced that it will abandon Canada's Kyoto targets, with GHG emissions already 27% above 1990 levels in 2006. As more and more oil sands expansion has been announced, so the projected GHG emissions levels have grown, resulting in an increasing "Kyoto gap" between emissions and targets.⁵

In October 2009 the *New York Times* reported that the Alberta and Canadian Government had announced investment for carbon capture and storage technology (CCS) for use with oil sands. The carbon dioxide released from the oil sands production process would be captured, transported and stored long-term in a geological formation, instead of being released into the atmosphere:

The Canadian and Alberta governments yesterday announced they would spend a combined C\$865 million (\$822 million) to help Royal Dutch Shell PLC build commercial-scale carbon capture and storage for Alberta's oil sands.

The governments said they would cover about two-thirds the cost of Shell's Quest project, which is aimed at capturing and storing 1 million metric tons of carbon dioxide from the Athabasca Oil Sands Project. Shell's Canadian affiliate owns 60 percent of the 155,000-barrel-a-day operation, and Marathon Oil Corp. and Chevron Corp. each own 20 percent.

Canada is contributing \$120 million from its \$1 billion Clean Energy Fund, and Alberta is providing \$745 million from a \$2 billion carbon capture and storage fund.

"The most viable emission-reducing technology for fossil fuels is carbon capture and storage," said Lisa Raitt, Canada's minister of natural resources. "These projects will reduce greenhouse gas emissions while creating high-quality jobs for Canadians now and benefiting our environment for future generations."

⁴ The Co-operative Bank and WWF, *Unconventional Oil: Scraping the bottom of the barrel?* undated p6-7

⁵ The Co-operative Bank and WWF, *Unconventional Oil: Scraping the bottom of the barrel?* undated p6-7

The Quest project would capture about 40 percent of CO₂ emissions and transport them by pipeline to a nearby injection site for permanent storage nearly 1.5 miles underground. Some CO₂ might be sold to enhance oil production.⁶

An article in the *Ecologist* sets out that environmental groups have argued that CCS technology would not be good enough to reduce emissions from oil sands projects:

CCS has been put forward as a way of reducing the emissions but the report, 'CCS in the Alberta oil sands – a dangerous myth' published by The Co-operative Financial Services and WWF, says 'even the most wildly optimistic scenarios for the development of CCS fail to bring emissions down to those of today's conventional fossil fuels.'

The report says the amount of CO₂ emitted during production would need to be reduced by around 85 per cent to make tar sands oil comparable with conventional oil.

The best estimates for CCS technology suggest it could reduce emissions by 10 to 30 per cent by 2020 and 30 to 50 per cent by 2050.

'Last year we published a report which found that Canada's tar sands could increase atmospheric CO₂ by more than 10 parts per million, which would take us right to the edge of runaway climate change. The industry's response was that CCS would address this threat.

'Today's report shows that even the most wildly optimistic scenarios for the development of CCS fail to bring emissions down to those of today's conventional fossil fuels,' said Paul Monaghan, Head of Social Goals at Co-operative Financial Services.⁷

2.2 Water use

Extracting the bitumen from oil sands requires large volumes of water. An average of 2-4 barrels of water are needed to produce and upgrade one barrel of bitumen using open-pit mining techniques. In-situ techniques use 0.6-0.9 barrels of water to produce and upgrade one barrel of bitumen.⁸

According to an article in the *Petroleum Economist*, rising production and limits on water that can be drawn from the Athabasca River in Alberta could lead to water shortages from 2014. This could in turn add to project costs and has the potential to put a strain on local water supply. It could also reduce water flow through the river which would reduce the available fish habitat and impair the health of the river's ecosystem. The Government of Alberta disagrees and has said that the river is protected because of existing government restrictions on water use.⁹

2.3 Toxic waste

Open pit oil sands production produces watery toxic mining waste called tailings. Tailings ponds are a mixture of water, sand, silt clay, contaminants, such as heavy metals and unrecovered hydrocarbons. As the water molecules bind so tightly to the clay, they cannot be separated.¹⁰

⁶ "Canada, Alberta Fund Shell's CCS Project for Oil Sands" *New York Times*, 9 October 2009

⁷ "Carbon capture no solution to tar sands" *The Ecologist*, 26 October 2009

⁸ "The oil sands' environmental tests" *Petroleum Economist*, August 2010, p8

⁹ "The oil sands' environmental tests" *Petroleum Economist*, August 2010, p8

¹⁰ "The oil sands' environmental tests" *Petroleum Economist*, August 2010, p8

Waste from tar sands projects in Canada has gradually stock-piled due to an Alberta Government zero-discharge policy. Some environmentalists estimate that tailings ponds cover an area of 170 square km in Alberta. An article in the *Petroleum Economist* estimates that oil sands production waste is accumulating at the rate of approximately 200m litres a day – enough to fill 80 Olympic swimming pools. As the waste continues to stock-pile a solution will need to be found to deal with it. Several techniques designed to process standing waste into dry manageable waste are under development using a combination of chemical and physical treatments. Estimates suggest that methods to eliminate the need for long-term storage of tailings may not be developed until 2030-35.¹¹

Another problem is with guaranteeing the integrity of the ponds. If one were to fail (i.e. through a natural disaster such as an earthquake) toxic chemicals would seep into the surrounding landscape and water supply. The Alberta Government has said that safety standards applied to the tailings ponds exceed the dam-safety standards for Canada and that they are intensively monitored for physical stability and seepage.¹²

2.4 Deforestation

The Co-operative Bank and WWF report expresses concern that oil sands development could lead to deforestation. This could lead to loss of habitat, depleted ecosystems and release more carbon:

The oil sands cover 140,000 sq km in the primary boreal forest of Canada, an area larger than England. Due to oil sands operations, the Alberta landscape may never look the same again, with the primary boreal forest criss-crossed with seismic lines, huge opencast mines and tailing ponds filled with toxic wastewater, and pipes and infrastructure spreading across the scenery. Canada is home to half the remaining boreal forest in the world, and (not including tundra and wetlands) contains 11% of the global terrestrial carbon sinks. Oil sand operations are leading to significant deforestation and damage to peatland and wetlands, eroding the carbon storage value of these areas. Deforestation has been identified by the IPCC [Intergovernmental Panel on Climate Change] as a major contributor to climate change. Due to its key role in carbon storage, Canada's boreal region has been described as a "life support system for the planet". In May 2007, 1,500 scientists from more than 50 countries called on the Canadian government to provide more protection for the boreal forest.

The boreal forest is also home to caribou, which avoid the fragmented forest created by oil sands activities. Unique wetlands such as the McClelland patterned fen – vital for migratory birds – are under threat. Oil sand licences are granted on the basis that operators will return areas to at least the same condition in which they were found. However, after decades of activity only 104 hectares have been certified as reclaimed by the Alberta government. Most companies admit it is impossible to artificially return boreal forest to the same condition as they found it; instead reclaimed land will have much lower levels of carbon density and biodiversity than previously existed.¹³

2.5 Involvement of UK banks and companies

In February 2010 the World Development Movement published a report saying that oil sands projects had a "devastating impact on human rights and the climate". The report expressed concern about the involvement of British banks in financing such projects in Canada:

¹¹ "The oil sands' environmental tests" *Petroleum Economist*, August 2010, p8

¹² "The oil sands' environmental tests" *Petroleum Economist*, August 2010, p8

¹³ The Co-operative Bank and WWF, *Unconventional Oil Scraping the bottom of the barrel?* undated p6-7

The three main high street banks in the UK (Barclays, HSBC and the Royal Bank of Scotland) are all involved in providing significant sums of project or corporate finance for oil extraction from Canadian tar sands.

- In the three year time frame examined between 2007-2009, the Royal Bank of Scotland (RBS) has led underwriting for the largest amount in loans to companies operating in tar sands in Canada, to a total of more than \$7.5 billion.
- Since the initial recapitalisation of UK banks took place in October 2008, RBS has underwritten corporate debt and equity worth nearly \$2.5 billion with tar sands related companies.
- In the same period Barclays Bank has led the most corporate debt and equity to tar sands-related companies, more than \$14 billion.

Out of the many tar-sands related companies that have received finance from these banks, three are examined as case studies to give a snapshot as to the nature of the companies, how they conduct their business in obtaining tar sands and the public controversies they have been involved in.¹⁴

The report expresses particular concern that RBS has been so much involved in oil sands finance, because of the size of the public stake in the bank. The *Independent* reported that RBS had said that it did not recognise the size of the investment given in the World Development Movement Report:

The bank denied the charge, maintaining that it has "very limited direct involvement" in such projects and pointing to its role as a leading arranger of finance for renewable power schemes.

[...]

RBS said yesterday that it does not recognise the \$7.5bn figure, and maintained that the bank had not provided project finance for tar sands since 2006. "We assess lending, investment and services decisions on an individual basis and take into account relevant social, ethical and environmental issues as a part of that process," a spokesman said. "We are determined to play our part in the global shift to a more efficient, innovative and equitable use of resources."¹⁵

In May 2011, a parliamentary written answer gave some indication of government support for the industry:

Zac Goldsmith: To ask the Secretary of State for Business, Innovation and Skills what the policy of UK Trade and Investment is on support for UK-based companies that develop and export tar sands oil extraction technologies. [54481]

Mr Prisk: UK Trade and Investment (UKTI) treats UK-based companies with specialist technology relevant to oil sands in the same way as any other company in the oil and gas supply chain. The full range of UKTI services are available to all UK-based companies engaged in oil and gas extraction regardless of the nature of the project.¹⁶

A subsequent written answer identified UK companies that had taken part in initiatives related to Canadian oil sands developments. The Minister of State for Business and

¹⁴ World Development Movement, *Cashing in on Tar Sands: RBS, UK banks and Canada's "blood oil"*, February 2010

¹⁵ "RBS accused over funding for tar sands 'blood oil'" *The Independent*, 2 March 2010

¹⁶ HC Deb 12 May 2011 c1349W

Enterprise, Department for Business, Innovation and Skills (Mark Prisk) pointed out that it was “not a straightforward matter to identify companies with specifically oil sands-related equipment and services that have made use of UKTI services.”¹⁷

3 Future growth

According to the International Energy Agency, Canadian oil sands are expected to assume a rapidly expanding role in meeting oil demand:

Caroline Lucas: To ask the Secretary of State for Energy and Climate Change what assessment he has made of the contents of Chapter 3 of the International Energy Agency's report on the World Energy Outlook for 2010; and if he will make a statement. [33389]

Charles Hendry: Chapter 3 of the International Energy Agency's report is a valuable analysis, which provides a thorough overview of possible future scenarios for world oil markets between 2009 and 2035. These are based on current policies ("Current Policies Scenario"); policies consistent with commitments announced by individual countries ("New Policies Scenario"); and policies consistent with meeting a two degree climate change goal ("450 Scenario").

The differences between these scenarios highlight that the outlook for oil is highly sensitive to policy action to curb rising demand and emissions. Under the Current Policies scenario oil import prices reach \$135/barrel in 2035; under the New Policies scenario \$113/barrel; and under the 450 Scenario \$90/barrel. Under the New Policies scenario demand continues to grow steadily to 2035. All of the growth comes from non-OECD countries (57% from China alone), mainly driven by rising use of transport fuels. The main sources of increased oil production include Saudi Arabia, Iraq, Brazil and the Caspian region. The role of unconventional oil (particularly Canadian oil sands and Venezuelan extra-heavy oil) is expected to expand rapidly, enabling it to meet about 10% of world oil demand in all three scenarios by 2035.

The scenarios underline the importance of our policies to promote investment in oil production, enhance price stability through greater transparency and producer-consumer dialogue, and encourage low carbon growth to constrain demand as well as reduce CO₂ emissions.¹⁸

4 Political developments

4.1 UK

Of the three largest UK parliamentary parties, the Liberal Democrats have in the past expressed a clear position regarding the exploitation of tar sands. The following comes from a Liberal Democrat press release, dated 17 November 2009:

Liberal Democrat Shadow Energy and Climate Change Secretary, Simon Hughes will today host a meeting in Parliament with campaigners against tar sands extraction in Western Canada.

He will reveal documents showing that the [Labour] Government has made no attempt to carry out any form of environmental or social audit into its investments in the Royal Bank of Scotland (RBS).

Commenting ahead of the meeting, Simon Hughes said:

¹⁷ HC Deb 7 June 2011 c229W

¹⁸ HC Deb 17 January 2011 c477W

“The Government’s failure to assess the social and environmental impacts of its investments in RBS demonstrates stunning negligence.

“As a majority shareholder the Government should use its power to ensure destructive environmental investments are not made.

“World leaders must work towards a treaty that will outlaw tar sands extraction, in the same way they came together to ban land mines, blood diamonds and cluster bombs.”¹⁹

The Labour Government answered a number of Parliamentary Questions on various oil sands issues. A PQ from April 2009 set out UK imports of oil from Canada:

Fuel Oil: Canada

Mr. Evans: To ask the Secretary of State for Energy and Climate Change what estimate he has made of the percentage of the UK’s energy consumption accounted for by fuels sourced from the exploitation of oil sands in Alberta, Canada. [271062]

Mr. Mike O’Brien: It is not possible to identify the region within Canada of oil and oil product imports. In 2007, the latest year for which full data are available, imports of oil and oil products from Canada were equivalent to less than 0.1 per cent. of the UK’s primary energy demand.²⁰

A PQ from 2 April 2009 asked the then Government about reports of environmental problems associated with oil sands:

Canada: Oil

Rob Marris: To ask the Secretary of State for Foreign and Commonwealth Affairs what reports he has received on the effects on (a) First Nations and (b) levels of carbon dioxide emissions of extracting oil from the tar sands in Alberta, Canada. [263274]

Gillian Merron [*holding answer 31 March 2009*]: We have received reports that First Nation groups are concerned that contamination and water drainage associated with extracting oil from the oil sands could damage the Athabasca/Peace River area. First Nations also dispute, in some cases, the leasing of the land where oil sands are located, arguing the provincial government should consult with them before it grants leases to companies.

We have received reports that the current production processes used in the oil sands contribute up to three times the greenhouse gas (GHG) emissions (primarily carbon dioxide) compared with conventional oil production (based on figures contained in the Pembina Institute’s Report Oil Sands Fever November 2005).

The Alberta oil sands currently account for approximately 5 per cent. of Canada’s GHG emissions, though this level is estimated to rise to 16 per cent. by 2020 (based on figures contained in the Canadian Government’s Turning the Corner Update March 2008).

¹⁹ Liberal Democrats press release, [Taxpayer must not support tar sands extraction – Hughes](#), 17 November 2009

²⁰ [HC Deb 28 Apr 2009 c1249W](#)

In December 2008 Canada and the UK signed a Joint Statement on Carbon Capture and Storage, agreeing to work closely to develop and promote carbon capture technologies as a means to reducing GHG emissions.²¹

The Labour Government was also asked in March 2009 if it had held discussions with the Canadian Government about carbon emissions from oil sands:

Carbon Emissions: Canada

Rob Marris: To ask the Secretary of State for Energy and Climate Change if he will hold discussions with his Canadian federal and provincial counterparts on the quantity of carbon dioxide emissions resulting from the extraction of oil from the tar sands in Alberta, Canada. [263276]

Joan Ruddock: My right hon. Friend the Secretary of State will be discussing how to limit global carbon dioxide emissions to prevent damaging climate change with all key international partners this year, including Canadian counterparts, given the importance the UK places on securing a global deal at Copenhagen in December.

The UK appreciates that every country's position and needs are different, which is why we support the principle of 'common but differentiated' responsibilities—but we nevertheless will be urging all partners to take as much action as they are able to address the threat of damaging climate change.

The Federal Government have drafted legislation to introduce targets based on carbon capture and storage (CCS) on oil sands facilities and electricity power stations, which states that new plants from 2012 must be capture ready and using full CCS from 2018. In December 2008 Canada and the UK signed a Joint Statement on CCS, agreeing to work closely to develop and promote CCS technologies. This will involve exchanging experience and information on the development of regulatory frameworks, mechanisms for deploying CCS projects in developed and developing countries and the demonstration of key elements of the CCS chain. We will also share the learning developed from our respective commercial-scale demonstration projects.²²

4.2 Fuel Quality Directive

Directive 2009/30/EC was adopted on 23 April 2009 and amends the Fuel Quality Directive (FQD) (Directive 98/70/EC) on the quality of petrol, diesel and gas oil.

Article 7a of the 2009 FQD introduces the requirement for fuel and energy suppliers (principally those providing fuel and energy for land-based transport, and other non-road mobile machinery) to reduce the lifecycle greenhouse gas (GHG) intensity of the fuel/energy that they supply by 6% per unit of energy by 2020. This Article set a deadline of 1 January 2011 for reporting of GHG intensity of fuel by Member states, which has now been missed.

Environmental organisations, such as the Co-operative, Transport & Environment, [Greenpeace](#), Friends of the Earth Europe and WWF, have all highlighted concern that the production of tar sands fuel creates significantly more lifecycle GHG emissions than in the production of conventional oil.²³ They have therefore lobbied for the methodology used in Article 7a of the FQD to reflect its higher carbon content over the values used for conventional fuel. On the other hand, research by IHS CERA has suggested that oil sands products "are in the same GHG intensity range as current European imports from Venezuela,

²¹ [HC Deb 2 Apr 2009 c1306W](#)

²² [HC Deb 31 Mar 2009 c1160W](#)

²³ For example, Brandt, A.R. *Upstream greenhouse gas (GHG) emissions from Canadian oil sands as a feedstock for European refineries*, January 2011

Angola, and Nigeria and crudes produced using steam-assisted oil recovery from the Middle East.”²⁴

Greenhouse gas emissions per unit of energy means the total mass of CO₂ equivalent greenhouse gas emissions associated with the fuel or energy supplied, divided by the total energy content of the fuel or energy supplied.²⁵

The European Commission consulted on how to establish a methodology for calculating the life-cycle GHG intensity of fuels in 2009.²⁶ In annex 2 of the consultation paper the Commission proposed that tar sands be ascribed a GHG value of 107 grams per megajoule of fuel, reflecting a far greater environmental impact than [average crude oil at 87.1 grams per megajoule](#). The 107 grams per megajoule figure²⁷ has been retained for “natural bitumen” in an implementing measure proposed in October 2011; the European Commission published this as a draft directive “laying down calculation methods and reporting requirements pursuant to Directive 98/70/EC of the European Parliament and of the Council relating to the quality of petrol and diesel fuels.”

The implementing measure drew a critical response from Joe Oliver, the Canadian Minister of Natural Resources. In a letter (19 October 2011) to Günther Oettinger, European Commissioner for Energy, Mr Oliver wrote:

The European Commission has recently proposed an implementing measure that differentiates oil sands crude from all other sources of crude oil. Yet there has not been a comprehensive scientific study of the greenhouse gas (GHG) intensity of crude oils currently used in the European Union, some of which we know have similar or higher GHG emissions than oil sands crude. Any proposed implementing measure that provides separate, more onerous treatment for oil sands derived crude oil relative to other crude oils with similar or higher GHG emissions intensities is discriminatory, and potentially violates the European Union’s international trade obligations.

An article from *Reuters*, dated 23 February 2011, foretold Canadian concerns:

Canada says draft EU standards to promote greener fuels will harm a possible future market for its oil sands -- tar-like oil that is trapped in sediment and forms the world's second-largest proven oil reserves after Saudi Arabia's.

Last year the European Union appeared to back down on the issue, putting commerce ahead of a strategy to curb greenhouse gases from transport fuels by 6 percent this decade.

But EU trade commissioner Karel De Gucht and climate commissioner Connie Hedegaard have spent months checking the robustness of methodology to measure the carbon footprint of fuels and are close to taking a stand on those that are the most carbon-intensive, according to internal EU documents and sources.

"We're constructively working on a solution between the two teams, and there is a political assessment that this should be done as soon as possible," said one EU source.²⁸

²⁴ IHS CERA, *Oil Sands, Greenhouse Gases, and European Oil Supply: Getting the Numbers Right*, April 2011

²⁵ For fuel, the energy supplied is expressed as its “low heating value” which factors out contributions due to vaporisation of water.

²⁶ [European Commission, Directive 2009/30/EC amending Directive 98/70/EC on fuel quality Consultation paper on the measures necessary for the implementation of Article 7a\(5\)](#)

²⁷ 107 g/MJ for petrol from natural bitumen feedstock; 108.5 g/MJ for diesel or gasoil.

²⁸ “EU to tackle Canadian tar sands in new law –sources”, *Reuters*, 23 February 2011

A written answer from Transport Minister, Norman Baker dated 4 March 2011, indicated the importance the UK Government attaches to the quality of any evidence informing fuel quality policy:

Oil: Fuel Quality Directive

Martin Horwood: To ask the Secretary of State for Transport what his policy is on proposals for inclusion of a default value for tar sands in the Fuel Quality Directive. [43404]

Norman Baker [holding answer 2 March 2011]: The European Commission is currently assessing options for a methodology to account for the greenhouse gas emissions of fossil fuels for use in reporting overall progress against the Fuel Quality Directive's greenhouse gas targets.

While several options have been explored with member states and stakeholders, the European Commission has yet to come forward with firm proposals for an accounting methodology, or for other necessary implementing measures.

We believe that any methodology should account for greenhouse gas emissions from all crude sources, including tar sands, and that such a methodology should be based on robust and objective data, and should treat all crude sources equitably. I have personally written to the Commissioner for Climate Action urging her to investigate whether sufficient data is available to enable a detailed fossil fuel greenhouse gas accounting methodology to be developed and encouraging the European Commission to work more openly with member states and other stakeholders.²⁹

The official European Commission website on fuel quality monitoring is a likely source of future information.³⁰

4.3 Trade negotiations

A recent question in the European Parliament was concerned that the tar sands issue could affect ongoing trade negotiations:

25 October 2011 E-009647/2011

Question for written answer

to the Commission

Rule 117

Monika Flašíková Beňová (S&D)

Subject: Emissions from Canadian oil sands

The European Commission has proposed raising greenhouse gas emission values. The Commissioners have agreed that the fossil fuel of which Canada is the world's largest producer has 25 % higher CO₂ emission levels than oil. Canada claims, however, that this has no scientific foundation, is unjustified and discriminates against Canada. On the grounds of defending Canadian interests, Canada's Minister of Natural Resources, Joe Oliver, has said that any such action by the EU may have consequences at WTO panel level.

²⁹ HC Deb 4 March 2011 [c625W](#)

³⁰ <http://ec.europa.eu/environment/air/transport/fuel.htm>

Does the Commission intend to take measures to avert the threat of complications affecting talks on a free trade agreement between the EU and Canada?

15 November 2011 E-009647/2011

Answer given by Mr De Gucht on behalf of the Commission

There is no link on substance between the ongoing negotiation on a Comprehensive Economic and Trade Agreement (CETA) between the EU and Canada and the EU Fuel Quality Directive. Neither side of the negotiation is or has been using the CETA negotiation as a way to influence the other side on the Fuel Quality Directive. The Commission therefore does not expect any complications in the CETA negotiations and therefore does not see the need to take any preventive steps in that regard.