

## ON CANADIAN OIL

- **Canadian oil is a reliable and plentiful strategic resource for meeting our nation's growing energy demand and making the United States more energy secure.**

*Our nation needs more supplies of all energy sources, including oil and natural gas, to meet its growing demand and provide consumers with reliable fuel supplies.. According to government forecasts, oil and natural gas will continue to provide more than half of the energy needs for American consumers even as alternative energy sources like ethanol and other renewables expand. The International Energy Agency projects global oil demand to increase 24% above 2007 levels by 2030.*

*According to the Department of Energy, Canada is our biggest supplier of imported oil and natural gas. **In 2008, Canada shipped nearly one million barrels per day more oil and refined products to the U.S. than did our second largest supplier of imported oil.** About half of the Canadian crude oil brought into this country is derived from oil sands. According to a study released in May 2009 by the IHS Cambridge Energy Research Associates, if oil sands development is maximized, the U.S. could potentially double the amount of oil imported from Canada by 2035.*

*Canadian oil reserves are vast and are second only to Saudi Arabia, using current technology. According to the Canadian Association of Petroleum Producers, oil sands now account for more than half of western Canada's total oil production. By 2025, production from Canadian oil sands could rise from about 1.2 million barrels per day in 2008 to about 3.3 million barrels per day.*

*Canada is a friendly neighbor with which the United States has an excellent trading and political relationship. Canada sends more than 99 percent of its oil exports to the United States, the bulk of which goes to Midwestern refineries.*

- **Canadian oil sands will provide greater fuel supply reliability and reduce the risk of supply disruptions to consumers.**

*Oil companies are investing huge sums to expand and upgrade refineries in the Midwest and elsewhere to make more gasoline and other refined products from the Canadian oil derived from oil sands. U.S. refineries are subject to strict federal, state and local environmental regulations. Pipeline companies are investing to build new infrastructure to transport Canadian oil into the United States. The expansion and upgrade projects will create over 10,000 new construction jobs and an additional 500 permanent full-time refinery positions. These refinery expansions bring additional tax revenue and other economic benefits to their localities.*

*By getting more of their oil from Canada, Midwest refineries would move from being at the back of the crude oil supply line to the front. With these secure, nearby*

*supplies, Midwest refineries should not be as vulnerable to supply disruptions caused by geopolitical upheaval or storms in the Gulf of Mexico.*

- **Canadian and U.S. 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 oil and natural gas industry remains committed to being a reliable and environmentally-responsible provider of the energy our nation needs to power our economy.*

*According to the Environmental Protection Agency, U.S. air quality is improving. With measures already in place we can anticipate further progress. API member refiners set a goal to improve energy efficiency by 10 percent between 2002 and 2012 and are making progress toward meeting it. In 2006, for example, improvements in energy efficiency at API member refineries -- compared to the technology used in 2002 -- produced energy savings equivalent to taking more than 528,000 cars off the road, or savings equivalent to the electricity used by more than 950,000 homes.*

*The extraction and processing of oil sands do result in higher greenhouse gas (GHG) emissions on average compared to light, sweet (low-sulfur) crude oil. But so do many of the heavy, high-sulfur crudes that are being produced in the United States and around the world. On a life cycle (or well-to-wheels) GHG emission basis, oil derived from Canadian oil sands is comparable with other crudes refined in the United States. We believe that greater care in management of emissions from crude derived from oil sands would occur in the United States 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.*

*A recent study by the Council on Foreign Relations urges U.S. policymakers to “resist the misuse of other U.S. environmental regulations to constrain oil sands.” It noted that “ill-conceived regulation could undermine U.S. and Canadian climate and security goals.” The study also underlined the value of close ties with a friendly neighboring country that does a lot of business with the U.S. The study noted that “a greater fraction of money used to buy Canadian oil will likely later be spent directly on U.S. goods and services and hence contribute directly to U.S. growth.”*

*Using oil sands as a feedstock does not affect the quality of the refined products. In fact, gasoline and other fuels made from oil sands already are being used in the United States. The vast investments refiners and pipeline operators are making to increase capacity and flexibility to process oil sands include all the necessary equipment to make products that meet all the required specifications. Every project is required to adhere to applicable federal, state and local regulations and permitting conditions.*

*Since 1990, industry has reduced oil sands CO2 intensity by 27%, according to the Canadian government.*