



**Presentation to the Oil Sands Multi Stakeholder Committee
Re: The Vision and Principles document**

April 24, 2007

Hello MSC Panel Members.

I am Chris Severson-Baker. I work for the Pembina Institute. I am the Director of Energy Watch.

Firstly I would like to thank you for your personal commitment to this process. I know you are all working hard under considerable time pressure. You want your efforts to make a lasting difference.

The Vision and Principles document is very good.

However, I was underwhelmed by the subsequent options and strategies document. For someone like me - who has been working on oil sands and sustainability issues for over a decade it represents little more than a list of well known positions.

I hope that in the brief time you have left you are able to move beyond positions – and craft a set of recommendations that will truly benefit current and future generations of Albertans and Canadians.

The Pembina Institute will file a written submission – so in the short time I have before you - I will focus my comments on the need for a moratorium on new approvals and lease sales.

What do we mean by a moratorium?

Why is it needed?

How long should it last?

What do we mean by a moratorium?

The word has different meanings to different people.

The moratorium we are calling for is only on new approvals and lease sales and it is only a temporary pause.

During the moratorium:

1. projects that are operating – would continue to operate.
2. Projects that are under construction – would continue to be built and could start to operate when completed. Shell, CNRL, Suncor, Petro-Canada, OPTI-Nexen and others have mega projects that are in various stages of construction.
3. Projects that have received approval but have not yet started construction – could start construction – and also could start to operate as soon as they are completed. These include: The \$7 Billion Suncor Steepbank Mine and Upgrader Expansion Project, the \$4 Billion Shell Muskeg River Mine Expansion Project, and the \$5.5 Billion Imperial Kearsy Lake Mine Project.

The Alberta Government (Alberta Employment, Immigration and Industry, December 2006) predict that the oil sands industry will spend \$65B on new projects between 2006 and 2011 and several more billion maintaining existing projects over the same time period. Those figures are largely based on already approved projects.

As you can clearly see – Alberta will already experience massive oil sands expansion and associated construction activity during the moratorium.

Any project that is part way through the approval process – will not be reviewed by government staff – will not have a hearing – will not receive an approval until the moratorium is lifted.

All resources that are dedicated to reviewing projects and granting approvals would be directed towards catching up and addressing the environmental, social and economic impacts of approved

projects – as well as developing and implementing a plan to proactively manage impacts going forward.

Why is it needed?

You have heard why from almost every individual that has come before you who does not have a direct interest in oil sands expansion. The consequences of a policy of maximum oil sands growth are too high – environmental, social, economic.

The Cumulative Environmental Management Association (CEMA) does not work because government staff and other stakeholders are so preoccupied reviewing approvals for mega-projects they can do little else. This was very evident in the last 6 months as government staff who literally could not be in two places at once chose to prepare for and attend the 3 mega hearings that were held in Fort Mac instead of attending to the work of CEMA.

Non-renewable resource revenue is slipping through the fingers of Albertans forever.

The quality of life in the province is declining.

Some First Nations people are walking away from the table in sheer frustration.

It would be madness to maintain the status quo and hope for a different outcome.

It would be madness to leave the royalty regime as it is – to keep waiting on CEMA – to refuse to set interim limits – to keep approving new projects – to wait for technology breakthroughs.

How long should it last?

Six key steps must be met before the moratorium is lifted:

1. Set science-based precautionary limits - prevent cumulative impacts to air, fresh water, forests and wildlife – prevent degradation of Alberta's stock of natural capital. These limits would constrain impacts and guide

development for all existing, approved, and future developments;

2. Improve systems for evaluating, monitoring, mitigating impacts. Provide incentives for companies to go beyond minimum compliance and break the connections between rising impacts and rising production.
3. Focus on quality of life and manage the pace of oil sands development so that social services and infrastructure keep pace and value-added development is maximized;
4. Think like an owner and reform the royalty regime to ensure Albertans get maximum value from the oil sands resource they own and save for future generations of Albertans;
5. Reform the province's energy decision making process – ensure that it truly reflects the public interest. A comprehensive land use plan – developed in consultation with Albertans;
6. Plan for the future and take advantage of Alberta's prosperity to build a more diversified, green and competitive economy based on low-impact renewable energies and responsible energy use.

When these 6 requirements are fulfilled – the government should lift the moratorium.

In the end a moratorium means – that we can tell our grandkids that we took the time to get it right. That will sound pretty obvious to them – but we will know how hard it was to do at the time.

It means our grandkids will learn in school that a pause and a course correction resulted in an intact ecosystem in N. Alberta – a legacy of toxic tailings ponds was averted.

It means that First Nation Peoples continue to live and work in the region and continue to maintain a deep connection with the land. It means that the 'Heritage Fund' has achieved a size that allows the Government of Alberta to provide the same level of service for a

much larger and older population by “living on the interest” of the Fund. The Alberta Government currently uses non-renewable resource revenue to pay for these services today.

It means that the economy is diverse – but many of our young people still have access to abundant energy sector jobs.

It means Alberta has become a leader in sustainable energy production and transmission – and is exporting energy across N. America and its expertise across the globe.

Thank-you – and good luck.