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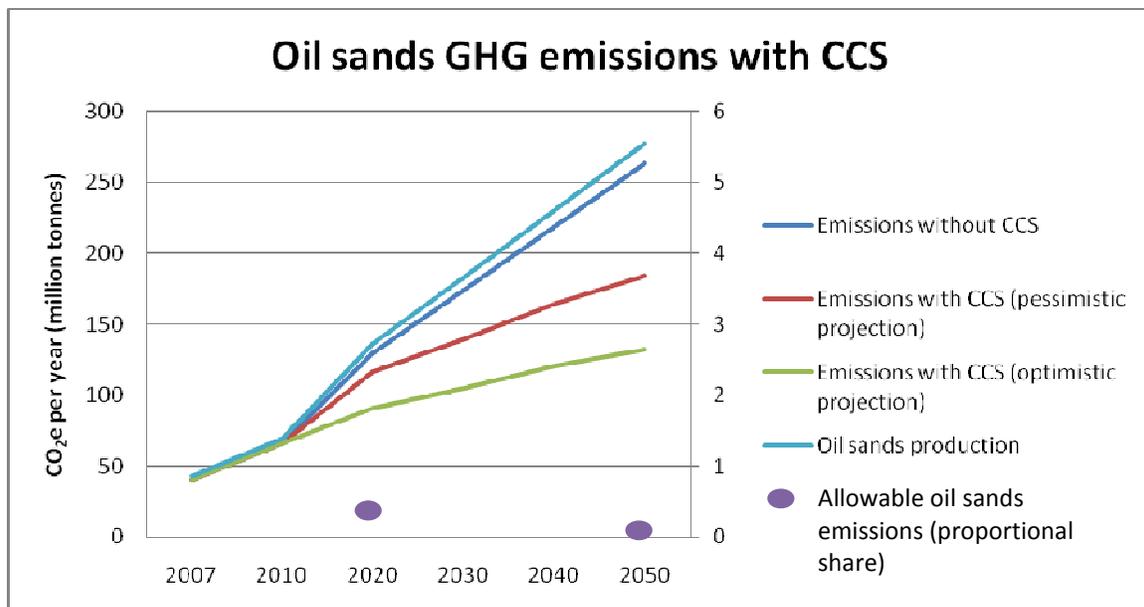
Duty calls: Federal responsibility in Canada's oil sands

Report Summary

In striking an expert panel to investigate the adequacy of monitoring on the Athabasca River, the federal government recently acknowledged its responsibility to monitor environmental impacts from the oil sands industry. But that responsibility extends much further than the banks of the Athabasca.

Existing legislation, ranging from the *Canadian Environmental Protection Act* to the *Species at Risk Act*, assigns a clear role to the federal government to ensure industrial development respects environmental limits — regardless of the region in which it takes place. *Duty Calls: Federal Responsibility in the Oil Sands* outlines the laws mandating federal involvement in environmental management of the oil sands, and explores what's at stake if Ottawa continues to neglect this responsibility.

A key finding of the report is that the math on carbon emissions doesn't add up. If expansion of the oil sands proceeds as planned, the oil sands industry will outspend its proportional share of Canada's carbon budget under the government's current target by a factor of 3.5 times by 2020 and by nearly 40 times by 2050, even assuming very optimistic application of carbon capture and storage technologies. The oil sands sector must do its fair share to reach the federal government's commitments to reduce greenhouse gas emissions, or other sectors of the economy will be asked to shoulder the extra burden.



In *Duty Calls*, we also make a variety of detailed recommendations related to the federal government's role in managing the oil sands. In general terms, our research shows Ottawa must:

- Reconcile oil sands development with Canada's **carbon emissions budget**, based on the federal government's stated climate change commitments and science-based objectives.
- Acknowledge and minimize the **negative economic impacts** of oil sands development by addressing "petro-currency" impacts on Canadian manufacturing and trade, and reinvest oil sands revenues in clean energy while planning for economic diversification and easing the transition for oil sands workers and communities.
- Protect **water quality** by setting and enforcing environmental limits to meet the requirements of the *Fisheries Act* and other federal environmental legislation, including effectively phasing out tailings ponds within a decade.
- Protect **wildlife** by enforcing the *Species at Risk Act* and working with Alberta and Saskatchewan to create a regional network of protected areas, prioritizing the identification and protection of critical habitat for woodland caribou in the boreal forest.
- Set binding caps on **air pollution** in the *Canadian Environmental Protection Act* to avoid acidification and protect human health, and establish an independent, transparent system to monitor air quality.
- Live up to the legal and constitutional duty to protect the interests of **Aboriginal Peoples** by ensuring adequate consultation occurs with First Nations communities before approvals are granted for oil sands development, by monitoring environmental and health impacts of oil sands operations, and by enforcing environmental limits within federal jurisdiction.

Taking these steps would dramatically reduce the negative impacts of developing the oil sands. By contrast, if Ottawa continues to focus on public relations and neglect its responsibility to enforce existing laws and regulations, it will leave the federal government exposed to continued legal challenges regarding oil sands development, the industry exposed to tougher environmental restrictions in the international marketplace, and Canadians exposed to economic uncertainty and competitiveness challenges resulting from tying the value of our dollar to the price of oil.