Canada tar sands will not be labelled ‘dirty’ after all

The European Parliament today (17 December) passed by just 12 votes controversial fuel quality rules that do not penalise imports of polluting tar sands oil from Canada.

The plenary vote on the Fuel Quality Directive saw 337 MEPs vote in Strasbourg against the bill, more than the 325 in favour, but not enough for the qualified majority of 376 needed to reject it.

In October, the European Commission scrapped a mandatory requirement to label tar sands oil as highly polluting, after years of industry opposition.

>> Read: Commission scraps plan to label tar sands as polluting

Oil from tar sands is to be given the same emission value as conventional petrol or diesel, meaning its higher actual greenhouse gas emissions will not be accounted for.

The proposal only requires refiners to report an average of the feedstock used. They do not have to single out tar sands.

But the approved law will make oil companies report the origin and trade name of their crude oil. That could represent the first step for a more robust system after 2020, NGO Transport & Environment said.

The debate about labelling tar sands, also known as oil sands, dates back to 2009, when EU member states approved legislation with the aim of cutting greenhouse gases from transport fuel sold in Europe by 6% by 2020, but failed to agree how to implement it. In 2011, the EU executive agreed that tar sands should be given a carbon value a fifth higher than for conventional oil, before it was weakened in October.

According to research commissioned by the EU executive, tar sands is 23% more carbon intensive than conventional oil. The FQD is important to promote cleaner transport fuels and is part of the EU's push to cut carbon emissions by 20% by 2020. Transport is responsible for 31% of the EU's total CO2 emissions.
The decision to weaken the FQD and today’s vote has removed an obstacle to Canada shipping crude, from tar sands to Europe.

Critics have long suspected the weakening of the proposal was linked to talks over the EU-Canada free trade deal CETA, and its EU-US equivalent, the Transatlantic Trade and Investment Partnership (TTIP).

The US is the only country to refine and export Canada's tar sands petroleum to Europe, blended with domestic fuel in its export barrels.

"Despite the spin, tar sands oil has nothing to do with European energy security, but is instead merely about placating the Canadian government in the context of the EU-Canada trade agreement," said Green climate change spokesperson Bas Eickhout.

"We should not be making EU laws to the order of the Canadian government. Europe does not need this highly-polluting fuel, and we should not be encouraging its production. If the EU is serious about combatting climate change, it needs to be consistent with all its policies," he added.

Colin Roche, extractives campaigner with Friends of the Earth Europe, said, “This is a clear signal that the Parliament is dissatisfied with the Commission bowing to the pressure of the oil industry, the US, and Canada.

"Weak legislation is not ‘better regulation’. The Commission now needs to take stronger steps to keep this climate killer out of Europe."

Nusa Urbancic of Transport &Environment said, “The fierce lobbying of Canada and Big Oil led the Commission to weaken the dirty fuel law. But today the Parliament stood up and declared that more has to be done on dirty oil after 2020.

“The new Commission should listen to the representatives of the citizens and prevent oil companies from betting their future on dirty unconventional fuels that are a climate time-bomb and are extremely costly to extract.”

Catherine Bearder, a Liberal Democrat MEP, also called on the Commission to extend the FQD beyond 2020, “taking into account the highly polluting nature of tar sands oil.”

Earlier this month, the European Parliament’s Environment Committee voted to support a resolution objecting to the executive's weakening of the FQD.

Before the vote, trade association BusinessEurope said MEPs needed to take energy security into account. The Ukraine Crisis has highlighted the need for the EU to diversify its energy supply.

Director general Markus J. Beyrer said, “In the CETA agreement the EU and Canada agreed to liberalise trade, including energy. Canada is working on new technological solutions to reduce the environmental impact of producing oil from oil sand. By blacklisting oil sand imports from Canada, such a decision would risk imposing trade restrictions on a stable, reliable and democratic country which is a strong economic partner of the EU.”

**EXTERNAL LINKS:**

**Press articles**

- EurActiv France: [Feu vert controversé à l’importation de pétrole issu de sables bitumineux](http://www.euractiv.com/sections/energy/canada-tar-sands-will-not-be-labelled-dirty-after-all-euractiv)

EurActiv.com  |  James Crisp
The EU’s Fuel Quality Directive requires that energy providers reduce by 6% the greenhouse gas emissions of the fuel they put on the market, through methods such as reducing flaring or increased use of biofuels.

On 4 October 2011, the European Commission voted on a review of the Fuel Quality Directive which assigns a default value of 107 grams CO₂ equivalent per megajoule (CO₂eq/MJ) for oil produced from tar sands. This figure is higher than the 87.5g CO₂eq/MJ average assigned for other crude oils, because the Stanford University research for the EU showed that oil extraction from tar sands was more carbon intensive. But it led Canada, which has the world’s largest reserves of oil sands, to protest the EU’s action.

Other unconventional sources of fossil fuel would also be hit hard by the proposal, with oil shale being included at a value of 131.3 CO₂eq/MJ, and coal-to-liquid at 172 CO₂eq/MJ.

Canada, oil majors and the refining industry have fiercely opposed EU plans to label tar sands as highly polluting.

In the context of the Russia/Ukraine crisis and fears about European energy security, Canada argues Europe should be embracing its oil as a secure form of energy.