



Jensen Shawa Solomon Duguid Hawkes LLP

File No: 12164.002

FAX

December 5, 2012

TO:	Sierra Club of Canada Foundation <i>Attention: Angela Rickman, President</i>	1-613-241-2292
FROM:	Darren J. Reed	
PAGES:	67 (including cover page)	
RE:	Supplemental Letter of Complaint Regarding Charitable Status of Sierra Club of Canada Foundation CRA Registration # 119149789RR0001	
MESSAGE:	Please see attached correspondence, cc'ed to you.	

This fax and its contents are strictly confidential and for review of the recipient only. If you receive this fax in error or it did not reach the addressed party in its entirety, please call 403-571-1520 and notify us immediately. Thank you.

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VIA EMAIL (CharitiesComplianceDivisi.LPRA@cra-arc.gc.ca)

December 5, 2012

Compliance Division, Charities Directorate
Canada Revenue Agency
Ottawa ON, K1A 0L5

VIA REGULAR MAIL

National Informant Leads Centre
St. Catharines Tax Services Office
32 Church Street
Post Office Box 3038
St. Catharines ON L2R 3B9

Dear Sir or Madam:

**Re: Letter of Complaint Regarding Charitable Status of
Sierra Club of Canada Foundation
CRA Registration # 119149789RR0001**

We are instructed by EthicalOil.org.¹

A complaint is hereby lodged on behalf of our said client in respect of Sierra Club of Canada Foundation ("SCCF"), which is registered as a charitable organization with the Canada Revenue Agency ("CRA"). We bring to your attention the matters set out below and request that you determine whether or not SCCF is in contravention of the CRA rules, and the *Income Tax Act*, RSC 1985 c.1 (5th Supp.) ("ITA").

The SCCF may be contravening CRA Rules and the ITA by:

- (a) acting as a conduit to provide funds to Sierra Club Canada;
- (b) not maintaining proper control over these funds; and,
- (c) engaging in political activity, including prohibited activity, by funding Sierra Club Canada.

¹ Legal name "Ethical Oil Institute"

RELATIONSHIP BETWEEN SCCF AND SIERRA CLUB CANADA

Sierra Club Canada is a non-qualified donee that receives funds from SCCF. SCCF and Sierra Club Canada are nearly indistinguishable. Both have the same banner on their websites that reads, *Sierra Club Canada*, and both have the same logo. Additionally, they share the same contact information, and the same web page to provide their contact information.² Clicking on the banner of the SCCF's website takes the browser to Sierra Club Canada's website.

The stated mission of SCCF is:

The mission of the Sierra Club Canada Foundation is to advance the preservation and protection of the natural environment with charitable resources.³

The stated mission of Sierra Club Canada is:

Sierra Club Canada empowers people to protect, restore and enjoy a healthy and safe planet!⁴

The two groups have a very close relationship. The following is from the home page of SCCF:

While the Foundation is autonomous and governed by its own Board of Directors, it works closely with Sierra Club Canada in pursuing its program goals.⁵

Additionally, in the *About Us* portion of SCCF's website, which is identical to the *About Us* portion of the Sierra Club Canada website, it reads:

Sierra Club Canada is the agent of Sierra Club of Canada Foundation, a registered charitable organization with the Canada Revenue Agency.⁶

SCCF ACTING AS A CONDUIT

The CRA defines a conduit as:

For the purposes of this guidance, a conduit is an organization that accepts donations for which it typically issues tax-deductible receipts and then funnels the money, without maintaining direction and control, to a non-qualified donee. Acting as a conduit violates the Income Tax Act and could jeopardize a charity's registered status.⁷

²Sierra Club Canada Foundation, Contact, October 24, 2012, <http://www.sierraclub.ca/en/national/contact.shtml%20>

³Sierra Club Canada Foundation, Home Page, October 24, 2012, <http://www.sierraclub.ca/en/foundation>

⁴Sierra Club Canada Foundation, About Us, October 24, 2012, <http://www.sierraclub.ca/en/foundation>

⁵Sierra Club Canada Foundation, Home Page, October 24, 2012, <http://www.sierraclub.ca/en/foundation>

⁶Sierra Club Canada Foundation, About Us, October 24, 2012, <http://www.sierraclub.ca/en/foundation>

⁷Canada Revenue Agency, "Policy Statement - Using an Intermediary to Carry out a Charity's Activities within Canada", October 24, 2012, <http://www.cra-arc.gc.ca/chrts-gvng/chrts/ploj/cgd/ntrmdry-eng.html>

The CRA offers the following example of a conduit:

A charity is registered to protect the environment. A non-profit organization with identical purposes approaches the charity, and explains it has submitted an application for charitable status, but has not yet been registered.

The non-profit asks if the charity will accept donations on its behalf, issue receipts, and then forward the money to the non-profit. The charity agrees to the non-profit organization's request.

The charity has no direction or control over how the receipted funds are used, and no say in where, when or how the activity is carried out. In this case, the charity is simply funding the non-profit's own activities, and therefore, even though the activity itself may be charitable, the charity is acting as a conduit.

To avoid acting as a conduit, the charity must have real and demonstrable control over the use of its money, so that the carrying out of that activity by the intermediary amounts to the charity carrying on its own activity itself.⁸

Sierra Club Canada appears to be an openly political and partisan group. It may be that SCCF is either (or both):

- (a) supplying funds to Sierra Club Canada which are being used for political activities that SCCF could not properly carry on due to its charitable status with the CRA; and/or
- (b) acting as a conduit for Sierra Club Canada.⁹

DIRECTION AND CONTROL

Unlike funds given to qualified donee, where a charitable organization is permitted to take a hands off approach and the funds are deemed to be charitable subject to certain exceptions, when a charitable organization gives funds to a non-qualified donee to provide a service, the charitable organization must exercise direction and control over those funds. In the case at hand, Sierra Club Canada is acting as the agent of SCCF to, allegedly, provide charitable activities on behalf of SCCF. Thus, SCCF must maintain direction and control over those funds. This is outlined by the CRA:

1.2. Direction and control when using intermediaries

The Canada Revenue Agency (CRA) requires that a charity take all necessary measures to direct and control the use of its resources when carrying out

⁸ *Ibid.*

⁹ This statement is based on the assumption that Sierra Club Canada only participates in political activity, which is what a review of Sierra Club Canada's website appears to indicate.

activities through an intermediary. When carrying out activities through an intermediary, the following steps are strongly recommended:

- Create a written agreement with the intermediary, and implement its terms.
- Communicate a clear, complete, and detailed description of the activity to the intermediary.
- Monitor and supervise the activity.
- Provide clear, complete, and detailed instructions to the intermediary on an ongoing basis.
- Arrange for the intermediary to keep the charity's funds separate from its own, and to keep separate books and records.
- Make periodic transfers of resources, based on demonstrated performance.

A charity must maintain a record of steps taken to direct and control the use of its resources, as part of its books and records, to allow the CRA to verify that all of the charity's resources have been used for its own activities.

5. What is direction and control?

A charity must direct and control the use of its resources ... when transferring them to an intermediary. The charity must be the body that makes decisions and sets parameters on significant issues related to the activity on an ongoing basis...

The CRA recommends adopting the following types of measures to direct and control the use of a charity's resources:

- Create a written agreement, and implement its terms and provisions.
- Communicate a clear, complete, and detailed description of the activity to the intermediary.
- Monitor and supervise the activity.
- Provide clear, complete, and detailed instructions to the intermediary on an ongoing basis.

- Arrange for the intermediary to keep the charity's funds separate from its own, and to keep separate books and records.

- Make periodic transfers of resources, based on demonstrated performance.

A charity must record all steps taken to exercise direction and control as part of its books and records, to allow the CRA to verify that the charity's funds have been spent on its activities.

...

5.2. What is a written agreement?

A written agreement is a document that helps establish the relationship between a charity and its intermediary. The agreement should provide the authority and means for the charity to meet the own activities test, including by maintaining direction and control over its resources and over its intermediary's actions as they relate to the charity's activities.

...

5.3. What is a description of activities?

Before starting an activity, the charity and its intermediary should agree on a clear, complete, and detailed description of the activity. The charity should be able to document its exact nature, scope, and complexity.

...

5.4. What is monitoring and supervision?

Monitoring and supervision is the process of receiving timely and accurate reports, which allows a charity to make sure that its resources are being used for its own activities. Depending on factors such as the size, nature, and complexity of an activity, the reporting methods (as stated in any written agreement) can take many forms, including the following:

- progress reports
- receipts for expenses and financial statements
- informal communication via telephone or email
- photographs
- audit reports

- on-site inspections by the charity's staff members.

5.5. What is ongoing instruction?

Ongoing instruction is the process of providing any necessary additional instructions or directions to an intermediary.

Records of any ongoing instructions help to show that the charity is carrying out its own charitable activities in accordance with the provisions of the Income Tax Act. Minutes of meetings or other written records of decisions are one way to show that a charity has given instructions. The CRA recommends using written instructions (for example - letters, emails, or faxes) to communicate with an intermediary whenever possible.

5.7. What are separate activities and funds?

When carrying on an activity through an intermediary, a charity has to make sure that it can distinguish its activities from those of the intermediary. ... A charity cannot simply pay the expenses an intermediary incurs to carry on the intermediary's own programs and activities. Doing so draws into question whether the activity is truly that of the charity.

In any situation where an intermediary is managing an ongoing activity on the charity's behalf, the money received from the charity should be kept in a separate bank account. It should be withdrawn only after receiving authorization from the charity, or after the intermediary meets certain performance benchmarks. The charity's funds should also be reported in books and records separately from those of the intermediary.

If it is impossible to keep funds separate, then a charity must provide other evidence to distinguish its own resources and activities from the intermediary's, and to show the charity's direction and control over them.¹⁰

WHAT IS POLITICAL ACTIVITY?

Section 149.1(1) of the ITA provides that a charitable organization is required to devote all of its resources to charitable activities. Section 149.1(6.2) provides that a charitable organization may donate part of its resources to political activities, provided that the activities are ancillary and incidental to its charitable activities and do not include the support of, or opposition to, any political party or candidate. The application of the ITA is described by the CRA:

¹⁰ Canada Revenue Agency, "Policy Statement - Using an Intermediary to Carry out a Charity's Activities within Canada", October 24, 2012, <http://www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/cgd/ntrmdry-eng.html>

Under the Act and common law, an organization established for a political purpose cannot be a charity. The courts have determined political purposes to be those that seek to:

- further the interests of a particular political party; or support a political party or candidate for public office; or
- retain, oppose, or change the law, policy, or decision of any level of government in Canada or a foreign country.

The main reason why the courts rule out political purposes for charities is a result of the requirement that a purpose is only charitable if it generates a public benefit. A political purpose, such as seeking a ban on deer hunting, requires a charity to enter into a debate about whether such a ban is good, rather than providing or working towards an accepted public benefit.

It also means that in order to assess the public benefit of a political purpose, a court would have to take sides in a political debate. In Canada, political issues are for Parliament to decide, and the courts are reluctant to encroach on this sovereign authority (other than when a constitutional issue arises).

5. Unstated purposes and devoting more than the allowable maximum of a charity's total resources to political activities

When a charity focuses substantially on one particular charitable activity so that it is no longer subordinate to one of its stated purposes, we may question the legitimacy of the activity at law. This is because when an activity is no longer subordinate to a charity's purposes, it may indicate that the charity is engaging in an activity outside its stated objects, or pursuing an unstated:

- collateral political purpose; or
- non-charitable purpose; or
- charitable purpose...

In such circumstances, rather than just considering the explicit purpose of the activity in question, we will consider all the facts and determine whether it is reasonable to conclude that the charity is focusing substantially on a particular activity for an unstated political purpose.

6. What kinds of activities can a charity participate in?

Although an organization established for a political purpose cannot be registered as a charity, a registered charity may take part in some political activities as a way of furthering its charitable purpose(s). However, charities do not have complete freedom to support any cause they like. Special legal rules apply to charities because of their charitable and tax statuses.

A charity wishing to carry out activities that go beyond the limits permitted by the Act may establish a separate and distinct organization that will not be a registered charity and therefore not able to issue charitable receipts. No limitations are placed on the political activities of such a body; it has complete freedom within the law to support any cause it chooses. But the charity cannot fund that separate organization or make resources available to it for any otherwise impermissible political activity.

For the purposes of this policy, a charity's activities can be divided into three separate types:

1. prohibited activities
2. political activities
3. charitable activities

6.1 What are prohibited activities?

A charity may not take part in an illegal activity or a partisan political activity. A partisan political activity is one that involves direct or indirect support of, or opposition to, any political party or candidate for public office.

When a political party or candidate for public office supports a policy that is also supported by a charity, the charity is not prevented from promoting this policy. However, a charity in this situation must not directly or indirectly support the political party or candidate for public office. This means that a charity may make the public aware of its position on an issue provided:

1. it does not explicitly connect its views to any political party or candidate for public office;
2. the issue is connected to its purposes;
3. its views are based on a well-reasoned position;
4. public awareness campaigns do not become the charity's primary activity.

6.2 What are political activities?

A charity may take part in political activities if they are non-partisan and connected and subordinate to the charity's purposes.

We presume an activity to be political if a charity:

1. explicitly communicates a call to political action (i.e., encourages the public to contact an elected representative or public official and urges them to retain, oppose, or change the law, policy, or decision of any level of government in Canada or a foreign country);
2. explicitly communicates to the public that the law, policy, or decision of any level of government in Canada or a foreign country should be retained (if the retention of the law, policy or decision is being reconsidered by a government), opposed, or changed; or
3. explicitly indicates in its materials (whether internal or external) that the intention of the activity is to incite, or organize to put pressure on, an elected representative or public official to retain, oppose, or change the law, policy, or decision of any level of government in Canada or a foreign country.

7. When is communication a charitable activity?

In carrying out their mandate, registered charities often have to communicate with the public or public officials. The following sections outline when such communication activities are charitable and when they are not.

7.1 Public awareness campaigns

A charity's public awareness campaigns aim to give useful knowledge to the public to enable them to make decisions about the work a charity does or an issue related to that work.

When a registered charity seeks to foster public awareness about its work or an issue related to that work, it is presumed to be taking part in a charitable activity as long as the activity is connected and subordinate to the charity's purpose. In addition, the activity should be based on a position that is well-reasoned, rather than information the charity knows or ought to know is false, inaccurate, or misleading. Finally, although the Canada Revenue Agency acknowledges that material produced in support of a public awareness campaign may have some

emotional content, it would be unacceptable for a charity to undertake an activity using primarily emotive material.

To ensure that the activity is not considered a political activity, see the guidelines in section 6.2 above.

8. Education as a charitable purpose and how it differs from public awareness campaigns

A charity whose object includes the advancement of education must take care not to disregard the boundary between education and propaganda. To be considered charitable, an educational activity must be reasonably objective and based on a well-reasoned position. This means a position that is based on factual information that is methodically, objectively, fully, and fairly analyzed. In addition, a well-reasoned position should present (i.e., address) serious arguments and relevant facts to the contrary. This notion was discussed in *Challenge Team v. Revenue Canada*, [2000] 2 C.T.C. 352 at para. 1 (Fed. C.A.):

We all agree with the appellant that educating people from a particular political or moral perspective may be [Footnote 9] educational in the charitable sense in that it enables listeners to make an informed and critical choice. However, an activity is not educational in the charitable sense when it is undertaken "solely to promote a particular point of view" (per Iacobucci J. *Vancouver Society of Immigrant and Visible Minority Women v. M.N.R.*, [1999] 1 S.C.R. 10, at paragraph 169).

The degree of bias in an activity will determine if it can still be considered educational. The materials of some organizations may have such a slant or predetermination that we can no longer reasonably consider them as educational.

Also, to be educational in the charitable sense, organizations must not rely on incomplete information or on an appeal to emotions. Even in a classroom setting, promoting a particular point of view may not be educational in the charitable sense. As a result, courses, workshops, and conferences may not be charitable if they ultimately seek to create a climate of opinion or to advocate a particular cause.

This issue was discussed in *Southwood v. A.G.*, [2000]ECWA Civ. 204 (BILII), an English law decision in which the Court of Appeal examined the refusal of the Charity Commission to register the Project on Demilitarization...¹¹

POLITICAL ACTIVITY OF SIERRA CLUB CANADA

There is nothing wrong on the face of Sierra Club Canada engaging in partisan political activity, as it is not a registered charity. However, SCCF cannot fund Sierra Club Canada to engage in such political activity:

A charity wishing to carry out activities that go beyond the limits permitted by the Act may establish a separate and distinct organization that will not be a registered charity and therefore not able to issue charitable receipts. No limitations are placed on the political activities of such a body; it has complete freedom within the law to support any cause it chooses. **But the charity cannot fund that separate organization or make resources available to it for any otherwise impermissible political activity.**¹² [emphasis added]

Sierra Club Canada works closely with and as an agent of SCCF, and appears to engage almost solely in political activity that SCCF is not, as a registered charity, able to engage in. Some of the political and partisan views that Sierra Club Canada espouses can be found in *Dirty Oil Diplomacy, The Canadian Government's Global Push to sell the Tar Sands*, attached as Appendix "A" to this letter.

In the below excerpt John Bennett ("Bennett"), the Executive Director of SCCF, promotes opposition to a proposed law, which is a political activity,¹³ makes partisan statements, which is a prohibited activity¹⁴, and acknowledges that the BlackOutSpeakOut Campaign is the only thing that Sierra Club Canada is working on:

Canadian Environmentalists Protest Their Government's Attacks Against Activists and NGOs¹⁵

by Ron Johnson – June 3, 2012

Wide Range of Groups Participating in BlackOutSpeakOut Campaign

A coalition of Canadian environmental groups is turning up the heat on the federal government this coming week to protest what they are calling

¹¹ Canada Revenue Agency, "Policy Statement - Political Activities," October 23, 2012, <http://www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/cps/cps-022-eng.html>.

¹² *Ibid.*

¹³ *Ibid.*

¹⁴ *Ibid.*

¹⁵ Earth Island, "Canadian Environmentalists Protest Their Government's Attacks Against Activists and NGOs", October 23, 2012, http://www.earthisland.org/journal/index.php/elist/eListRead/canadian_environmentalists_protest_their_governments_attacks_against_activi

"unprecedented actions" by government officials to curtail democratic debate and public process regarding Canada's development of the Alberta tar sands, specifically the controversial Northern Gateway Pipeline.

Tomorrow, June 4, the BlackOutSpeakOut campaign is calling on hundreds of thousands of Canadians to inundate government agencies with calls and emails protesting proposed changes to the country's environmental laws and the government's efforts to silence environmentalists.

"It's the only thing we're working on," says John Bennett, executive director of the Sierra Club of Canada. "Hundreds of organizations, hundreds of thousands of people. The government servers are going to have a meltdown on June 4."

The coalition is also asking businesses and people to fade their websites to black and replace with a splash page directing people to participate in the protest.

...

"The federal budget bill contains 150 pages of changes to regulations that weaken laws that protect the environment and limit public participation," Bennett says. "These changes shoved into the budget bill are a huge threat to the environment and an alarming attack on Canadian democracy."

...

Bennett says he started noticing a newer, meaner, federal government about a year ago.

"I knew then it was something that we hadn't seen before; we've never been attacked like this," he says. "Nobody has ever tried to attack our motives, suggest our funding was inappropriate, not even [for more radical groups like] Greenpeace, and it breaks laws every time it does something."

...

Environmental NGOs remain upset. "It is clearly a smear campaign against environmental groups for doing what we do well — draw attention to environmental issues," Bennett says. "The Northern Gateway garnered public attention and input from 4,200 people. Instead of thinking, 'wow that's a good thing,' the federal government says this is a bad thing. They want to silence average people and prevent them from having any say in positions that affect them and future generations."

...

"The attacks on environmental charities and gutting of environmental review processes aim to silence Canadians of all sectors and many backgrounds who

participate in decision-making about large-scale industrial developments," Robinson says. "This is not only undemocratic — it will undermine the government's ability to make sound policy decisions and to protect the environment," he said. [emphasis added]

In the below articles, or excerpts thereof, Sierra Club Canada either lobbies for the change of, or against future laws and government policies, all of which is political activity¹⁶ or engages in political partisan activity which is a prohibited activity.¹⁷ Some of the articles contain both political activity by lobbying for the change of laws and policies, and politically partisan statements.

Federal government laying waste to the Canadian landscape¹⁸

Canadian public should be alarmed by wholesale deregulation of environmental protection in Canada

October 18, 2012.

OTTAWA - The government of Canada continued its assault on environmental protection today with omnibus Bill C-45:

"Today's killing of the Navigable Waters Act, along with further gutting of what's left of the Canadian Environmental Assessment Act and Fisheries Act, will inhibit the ability of Canadians to protect their natural environment for their children, grandchildren and future generations," said John Bennett, Executive Director of Sierra Club Canada.

"Canadians want to protect the environment and have a strong economy. We don't need to sacrifice the planet to achieve the latter - the two aren't mutually exclusive," said Mr. Bennett.

Sierra Club Canada feels the ongoing assault on environmental protection in Canada — resulting in the undoing of 35 years of environmental laws we fought to get — should be of great concern to all Canadians.

"This assault on the environment is deeply offensive and undemocratic, said Mr. Bennett. "I don't remember the Prime Minister campaigning in the last election on a platform of laying waste to the Canadian landscape. "

¹⁶ Canada Revenue Agency, "Policy Statement - Political Activities," October 23, 2012, <http://www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/cps/cps-022-eng.html>.

¹⁷ *Ibid.*

¹⁸ Sierra Club Canada, "Federal government laying waste to the Canadian landscape", October 23, 2012, <http://www.sierraclub.ca/support-wind-energy/media/release/federal-government-laying-waste-canadian-landscape>

Sierra Club Canada will be urging its supporters to speak out against the undemocratic and anti-environmental omnibus bills being shoved down the throats of Canadians. [emphasis added]

Laura the Dragonfly creating a buzz on Parliament Hill; Pleads for protection at press conference¹⁹

MEDIA RELEASE, August 9, 2012

OTTAWA – A species of dragonfly may be the next victim of the federal government's gutting of environmental protection laws, says Sierra Club Canada. The Laura's Clubtail Dragonfly (*Stylurus laurae*) along with the Coast Manroot (*Marah oreganus*), and Four-leaved Milkweed (*Asclepias quadrifolia*) had their applications to be included on the Wildlife Species at Risk list denied by Environment Minister Peter Kent earlier last month (the July 4th announcement went unnoticed in the media).

"I know I'm not majestic like a Woodland Caribou or Blue Whale, or fearsome like a Rocky Mountain Grizzly Bear, but I filled-out all the forms and even got some help from wildlife scientists. Why was our application denied - don't we all have the same right to survive?" said Laura, a Laura's Clubtail Dragonfly speaking at a press conference in Ottawa. "I hope someone will notice our passing," said a dejected Laura.

The decision to deny adding the Laura's Clubtail Dragonfly to the Wildlife Species at Risk list was made despite strong submissions to the minister that were acknowledged in the Canada Gazette, July 4, 2012: "Eleven submissions opposed the Minister's recommendation based on claims that it was inconsistent with the Act and, in their opinion, supported by weak scientific and economic rationales."

Laura said the decision not to list her species was surprising: "We're not radicals or money launderers and we've never criticized the Harper government."

The Laura's Clubtail Dragonfly lives along fast flowing streams in a few isolated areas in Southwestern Ontario, so Environment Minister Peter Kent contends Laura can rely on the Ontario government for protection. But the province of Ontario is also weakening endangered species legislation,

Sierra Club Canada believes the federal government is drafting changes to gut the Species At Risk Act for introduction when Parliament returns in September.

¹⁹ Sierra Club Canada, "Laura the Dragonfly creating a buzz on Parliament Hill; Pleads for protection at press conference", October 23, 2012, <http://www.sierraclub.ca/en/endangered-species/media/release/laura-dragonfly-creating-buzz-parliament-hill-pleads-protection-pre>

"It is our sacred responsibility to protect all creatures from extinction. A dragonfly and two aquatic plants may not sound important but they are," said John Bennett, Executive Director of Sierra Club Canada. "That's why we are here today supporting Laura, and why we're launching a national campaign to fight for Laura and all endangered species."

Major environmental groups oppose damaging federal omnibus Bill C-45²⁰

Oct 18 2012

Omnibus bill again hides big changes to environmental laws, subverting democracy, weakening protection of air, water, soil and ecosystems

TORONTO, ON -- Once again, the federal government is proposing to make significant changes to environmental legislation without proper democratic debate, according to many of Canada's leading environmental organizations:

Instead, these changes are contained in a sweeping omnibus budget bill.

Canadians concerned about protecting the air, water, soil and natural ecosystems that support all of us -- and our economy -- are doubly troubled, both by the end-run around democratic process and the potential for even more pollution and destruction of critical habitat.

The bill includes proposed changes to laws protecting fish and navigable waters, preventing harm from hazardous waste and governing the shipping industry.

We will be reviewing these changes in more detail in the coming days to determine what impact they could have on environmental protection.

We note many of these pieces of legislation were also changed by the omnibus bill in the spring. Changing the same bill twice in one year underlines the value of debating specific bills, through appropriate committees—the jobs our MPs are elected to do.

There is no need to subvert our legislative process in this manner, which only serves to heighten fears that already-weakened laws will get weaker still.

The groups issuing this statement are: Canadian Parks and Wilderness Society, David Suzuki Foundation, Ecojustice, Environmental Defence, Equiterre,

²⁰ Environmental Defence, "Major environmental groups oppose damaging federal omnibus Bill C-45", October 23, 2012, <http://environmentaldefence.ca/articles/major-environmental-groups-oppose-damaging-federal-omnibus-bill-c-45>

Greenpeace, Nature Canada, Pembina Institute, Sierra Club Canada, West Coast Environmental Law, WWF Canada [emphasis added]

John Bennett²¹

SCC Executive Director

On a bright summer morning in 1977, three young men quietly paddled a canoe along Lake Huron's shore to the Bruce nuclear generating station.

Unimpeded, they wandered the grounds and opened an unlocked door into the radioactive-waste storage building. A security guard finally noticed them as one photographed the others attaching a small Greenpeace banner to the containment building.

Without calling for backup, the guard took them to the gatehouse. Public relations were called and ordered the three off the site.

The action came during public hearings on the safety and security of Ontario's nuclear power plants. Within an hour, the event, and its message that the supposedly attack-proof plant could be easily breached, was national news.

A practical activist

Move ahead to the mid-1990s, when a group based in Belleville, Ont., conducted energy audits on 1,500 homes and a special survey of a local Canadian Tire that eliminated \$30,000 in annual waste disposal costs at the store.

A decade later, effective advance briefing of reporters ensured the federal Conservative government got the negative newspaper and television reviews it deserved for what it falsely claimed was a climate change action plan.

These events, and many more like them during the past 35 years, had one constant: John Bennett was at the heart of the organization and action.

Bennett brings that wealth of experience, creativity, practicality and energy as he returns to Sierra Club Canada as executive-director. It's a homecoming to the organization he served as atmosphere and energy campaign director, and senior policy advisor from 1998 to 2007.

²¹ Sierra Club Canada, "John Bennett", <http://www.sierraclub.ca/en/staff/john-bennett/bio>

The knowledge gained from those past struggles and achievements is invaluable, Bennett says, but only if it's combined with a radically new approach to revitalize the Sierra Club and restore its role as "the country's premier campaigning organization," at a time when effective activism is needed more than ever.

"Often, we've been the group that started campaigns and got them to grow from small to big. That's faded over the past few years and the public has missed it. We want to get back to that and show some leadership. I want Canadians to be able to look to us for every kind of campaign."

Exploring New Media

His focus will be on using the Internet and social networking tools to communicate with Canadians and initiate and build campaigns.

Relying on the mainstream media is no longer productive, Bennett says. Interest and coverage have waned; "there's been some drawing back." A few accounts of scientific studies are published, but very little about what the Canadian environmental community has to say.

"We have to find a way to make the environment more of an issue in the future," he says. "I'd like the Sierra Club to be the first online campaigners. We'll design and execute campaigns through the Internet. That's where we'll put our effort."

Bennett isn't certain what online activism will look like: "I have a vision of campaigning on the Web. I'll sit down with young, skilled and knowledgeable people to work out how to do it."

"The point of it is involving people. A campaign will grow, change and develop depending on how people understand it."

A starting place will be a Sierra Club Canada website that offers as much information as possible, in as many lengths and formats as possible – 60-second videos, podcasts, photos, short pieces and longer analyses, and with plenty of links -- and enables two-way communication.

The aim is to make the site, "the most informative in Canada." It will not only provide facts on climate change and other issues but also provide tools for acting on them. It will enable people to initiate and participate in campaigns, learn from each other, collaborate and develop new skills. "We'll make that knowledge available to all Canadians across the country."

"It's a whole new way to democratize the operation of the Club, and make it open for members to participate," Bennett says. "We'll be aggressive in our message and make it clear to the Canadian public that if they're concerned about the environment they have to do more than tell pollsters that the government isn't doing enough."

Holding governments accountable

The current government, and climate change deniers, has had success by exaggerating and distorting tiny grains of truth until they amount to falsehoods. The only way to counter that is by having encyclopedic knowledge and presenting it in a way that cuts through the information clutter.

Clear, strong messages are more imperative than ever, Bennett says. While there's much talk of "saving the planet" and "living green," as businesses churn out supposedly "green" products, politicians of all parties are doing little about climate change – the most important issue facing Canada and the entire planet – or most other environmental problems.

The federal government, in particular, "has done exactly what environmentalists feared," Bennett says. "They've found a way to fight the movement to a draw. They're doing nothing and they've got the media tired of what we're saying – that the government is doing nothing."

Governments and industry also continue to argue, against all evidence and logic, that we can't afford to protect the environment, Bennett says. The current financial crisis could have been a great opportunity to invest in a new economy. Instead, governments acted against change, pouring billions into wasteful spending on stimulus projects and conventional polluting industries that simply prop up an unsustainable status quo.

Environmentalists can't depend on any of the parties, Bennett says. "Although they take turns yelling at each other, there isn't a big difference now."

In October, for example, the federal Liberals voted with the Conservatives to postpone a vote on a Private Member's Bill that would require Canada to fulfill it's Kyoto Protocol commitment to set targets for reducing greenhouse gases based what the science says is necessary. "That surprised the community," Bennett says. "It doesn't bode well for the environment if the party that vowed to oppose the government on every issue does it on every issue but the environment."

Telling it like it is

The false "economy first" argument, and the need to counter it, is especially evident with Alberta's tar sands. They're Canada's fastest-growing source of greenhouse gas emissions and a provider of fuels that do even more environmental damage as they're consumed. As "the linchpin issue on climate change for Canada," they will be the focus of a crucial campaign.

"We need people to understand what's happening," Bennett says. **A lot of money is going into the tar sands, for subsidies and tests of carbon capture and storage. "We're supposed to accept that that's good for Canada, when it's not at all. Our message is that it doesn't cost more for renewable energy; it just costs different."**

The aim of a tar sands campaign will be to weaken the markets for their oil, similar to the way forest and sealing campaigns have effectively targeted those who buy products from those industries. "Most successful campaigns target the market, not the source," Bennett says.

"The Sierra Club has a unique role," he says. "We don't do civil disobedience and you won't hear of us doing big events, at least until we have more resources and ability to pull them off."

"What you will find is that we try to speak with a sharper edge than more conservative groups. Sometimes you have to speak out a little clearer to be heard above the background noise."

And while other organizations tend to choose leaders based on their administrative or fund-raising skills, "we need at least one major group headed by an activist." [emphasis added]

Expanding Nuclear Trade is Reckless²²

Media Release, November 6, 2012

OTTAWA - Canada has signed a reckless new agreement to increase trade in radioactive nuclear material with India - only one month after returning a radioactive shipment of contaminated consumer goods from India.

²² Sierra Club Canada, "Expanding Nuclear Trade is Reckless",
<http://www.sierraclub.ca/en/media/release/expanding-nuclear-trade-reckless>

"It's clear India has failed to control radioactive materials in the past," said John Bennett, Executive Director, Sierra Club Canada. "Therefore we question the wisdom of increasing our trade with India in radioactive materials."

India currently uses technology donated by Canada to produce plutonium for nuclear weapons – not for "nuclear energy" as stated in the terms of the arrangement. "Will this agreement prevent the use radioactive materials from Canada from also being used in India's weapons program?"

It's bad enough Canada is enabling India's nuclear weapons program. But there are other risks too. Increasing trade in nuclear materials and technology increases the risk of contaminated radioactive material ending up in consumer products (like it almost did in Montreal last May).

Coal Regulations: Not enough is still not enough!²³

MEDIA RELEASE, September 5, 2012

OTTAWA – Today's announcement by federal environment minister Peter Kent will further relax already grossly-inadequate regulations for coal-fired power plant greenhouse gas (GHG) emissions. Despite growing evidence of climate change, particularly this summer's record Arctic Ocean ice-loss, the government of Canada continues to ignore the science.

"Arctic Ocean ice is at an all-time low and we are in the midst of a record breaking year for heat waves, droughts and torrential rain storms," said Sierra Club Canada Executive Director John Bennett. "We don't have 50 years to fix this problem as the regulations will allow – action is needed now!"

"Coal burning power plants supply about 20% of Canada's electricity but produce 77% of Canada's GHG emissions from electricity generation. Shutting down coal plants would be the single most effective means of rapidly reducing emissions," said Mr. Bennett.

Sierra Club Canada is adamant that there are no technical or economic barriers to eliminating coal-fired electricity in Canada. Efficiency, conservation and existing renewable sources can meet the electricity needs of Canadians today!

"Mr. Kent has never explained how he will enforce regulations 50 years from now," said Mr. Bennett. "Kent's announcement is either a bad joke or an insult to the intelligence of Canadians. It's amazing he can make these announcements with a straight face!" [emphasis added]

²³ Sierra Club Canada, "Coal Regulations: Not enough is still not enough!"; <http://www.sierraclub.ca/en/tell-premier-stelmach-coal-kills/media/release/coal-regulations-not-enough-still-not-enough>

National group debates Terry Fox expansion

Kanata Emc - Part Of The Performance Group Of Companies

Fri Apr 2 2010

Section: News

Byline: Sarah Kelford

Source: Kanata EMC

EMC News - It was a full house at the Beaverbrook Community Centre on Wednesday, March 24 with residents listening to a debate deemed "turtles vs. road."

Gord Henderson, president of the Kanata Beaverbrook Community Association mediated the debate between John Bennett, executive director of the Sierra Club Canada, and Matt Muirhead, president of the Briarbrook Morgan's Grant Community Association.

Roughly one month ago, Sierra Club Canada announced it would be holding a national campaign to appeal the expansion of Terry Fox Drive as it threatens the habitat of several endangered species.

Henderson welcomed the men and gave the audience background on the community.

"We've been a vibrant community association for well over 40 years and we delved into this whole issue of development in the western part of Kanata well over a decade ago," said Henderson. "I was part of the team that looked into trying to mitigate the worst environmental damage that development posed to the whole area. Currently all this area is wild (where Terry Fox will be). The important thing to note is that over 30 years ago, there were deals made that would allow this to be developed and it's going to be developed. One of the major pieces to aid that development is the design of Terry Fox."

Henderson introduced Bennett and Muirhead as being "pro environment and pro development," to which Muirhead stated was "a little strong."

Muirhead noted that he is not "pro development," but rather fighting for a safe route for his community and that route is Terry Fox Drive.

Bennett spoke first and said: "The Sierra Club is committed to pursuing our environmental goals through legal means, through persuasion, then look to

change public opinion, which we are trying to do in this case, then we go through legal interventions."

"I've been doing this for 30 years and I've fought power plants, mines, highways and most of the time we lose," he continued. "It's not because we don't have a good position or a good argument, but because we have a legal system that is designed to facilitate the destruction of the environment and facilitate business over the needs of the environment and often the needs of the public."

Bennett claimed that in his experience it seems that development trumps the environment.

"This is one of the most unique places in the city," he claimed. "It's harbouring biodiversity that used to be everywhere, it's that last refuge for the natural world in the city and we've decided it's the natural place to put a highway."

Bennett said that the [SCCF] was asked to get involved by community members who have fought for the environment.

"They are being told they know nothing," said Bennett. "They are being told 'just forget it, I know all about it, I am a member of council and we're going to put up a fence, we're going to put in culverts.' This is one of the last refuges for these animals, for these trees, for these ginseng plants, and its being threatened for a road."

Bennett noted that as a grass roots organization, the [SCCF] doesn't have lots of money, but they are committed to doing whatever they can to help.

"This project has been fast-tracked through the federal government," he said. "The federal government has an Endangered Species Act and two or three of the species here are already registered under the Species at Risk Act federally. We have been talking to our lawyers about trying to find a legal avenue. I don't know yet if we will find one - and if we don't, it means that the law is wrong, not that we are."

A wish list for environment movement leaders; They know the things the planet needs -- and most of them are achievable

Vancouver Sun

Sat May 29 2010

Page: 12

Section: Environmental Week

Byline: Terrence Belford

Source: For Canwest News Service

If you could be granted just one wish for the betterment of the planet's ecological health, what would it be?

The question was put to six leaders in Canada's environmental movement, and the answers were for the most part practical and potentially achievable.

Taken as a whole they spell out a kind of blueprint for Canada -- the bones of a step-by-step program to ensure preservation of the natural bounty Canadians enjoy.

Step One: John Bennett, executive director of the SCCF, the country's largest national grassroots environmental organization, says his wish would be for a speedy constitutional amendment that mandates government protect the environment based on the latest scientific information.

"The problem we face is that politics and economics always win out over the environment," he says. "Politicians may pay lip service to it but there is no real commitment in the face of any political or economic opposition.

"If environmental protection was enshrined in the constitution, the politicians on all levels would have to pay attention." [emphasis added]

...

Let's study the health impact of the Tar Sands too²⁴

Submitted by John Bennett on Sun, 2012-08-19 19:08

The federal government recently surprised many when Health Canada announced a \$1.8 Million study on health impacts of living near wind turbines. Electricity generation and health are both largely provincial responsibilities -- so this is major deviation by a government that has strictly avoided straying into areas of provincial jurisdiction.

²⁴ Sierra Club Canada, "Let's Study the Health Impact of the Tar Sands too"; <http://www.sierraclub.ca/en/blog/john-bennett/let%E2%80%99s-study-health-impact-tar-sands-too>

Could the study have been prompted by the Conservative's wish to capitalize on the unpopularity of turbines in some rural Ontario ridings, in the process helping the province's official opposition, Tim Hudak's Conservatives? A two-for-one. Scarce health resources being misused for clearly partisan reasons; it's all about politics (you can read more on this in a recent blog of mine).

Although we should be used to this kind of behavior from Ottawa these days, it's still startling to see something so blatantly partisan get such little attention (Bev Oda's \$16 dollar glass of orange juice received a hundred times more coverage!).

This million dollar inquiry, into an area already extremely well-studied and documented around the world, also strikes me as a bit ironic. Governments usually draw on internationally accepted peer-reviewed scientific literature as a reason to not waste tax-dollars on duplicitous research.

In 2011, Sierra Club Canada did a review of the existing published, peer-reviewed studies. Not surprisingly (wind energy has been safely used in Germany and across Europe for years), after thoroughly examining a wealth of empirical international evidence we found properly located turbines do not present a public health risk. So it's frustrating, and somewhat alarming, to see the amount of misinformation (if not disinformation) being spread by AstroTurf wind opposition groups and (now) scared landowners.

This political trickery, however, may have inadvertently done us a favour. It has set a precedent for commissioning health studies on the impact of industrial development and a precedent for launching studies in response popular demand.

When announcing the turbine 'study', Conservative MP Pierre Poilievre, Parliamentary Secretary to the Ministers of Transport, Infrastructure and Communities and Federal Economic Development Agency for Southern Ontario, told the Globe and Mail: "Just as the oil sands are subject to strenuous public health regulations based on sound research". Calls to Health Canada and a search of its website revealed no such evidence. There have been no thorough health studies conducted in Northern Alberta to determine health impacts of Tar Sands development despite the alarming rate of development over the past few decades. Studies commissioned by both the federal and Alberta governments acknowledged environmental monitoring has been "insufficient". Willful blindness, perhaps?

Sierra Club Canada, noting the new precedents set by Health Canada's wind announcement, has begun gathering support from other organizations to demand a study on the health effects of Tar Sands development on Albertans and others living downstream.

If you know an organization that might like to get involved or just want to stay informed on the issue, send me an email. [emphasis added]

Grant cut called 'vengeful' act by Baird²⁵

FIONA MORROW.

From Thursday's Globe and Mail

VANCOUVER — Environmentalists across Canada are accusing Environment Minister John Baird of playing politics after last week's rescinding of a \$100,000 grant to the [SCCF] of B.C.

John Bennett, former executive director of the Climate Action Network and former senior policy adviser on energy for the Sierra Club Canada²⁶, called the funding cut "clearly a vengeful act" by Mr. Baird. The grant, in support of a community-based climate-change initiative, had been approved through the EcoAction Community Funding program in May, 2008, with a signed contract. "It's clear in my mind that [Mr. Baird] heard his staff had given the [SCCF] money and he went and punished them," added Mr. Bennett, now director of communications for the Green Party.

Stephen Hazell, executive director of the Sierra Club Canada, said that the organization receives "almost no money from government at either the national or provincial level. It just seems very peculiar that such a harmless little program would be singled out for their attentions - after the contract had already been signed. Maybe I, or Kathryn Molloy [SCCF B.C. executive director] said something critical this past summer, and they decided 'Let's stick it to them.' "

Mr. Hazell acknowledged that the [SCCF], under the previous leadership of Elizabeth May, "was virulently anti-Stephen Harper based on his skepticism about climate change."

Ms. May resigned from the organization to run a successful campaign for leadership of the Green Party.

"But my view is that it is not my job or [SCCF's] job to unseat the Conservative government," Mr. Hazell said. "It's our job to work with them and do the best job we can to save the destruction of the planet from climate change. But in

²⁵ The Globe and Mail, "Grant cut called 'vengeful' act by Baird", October 23, 2012, <http://v1.theglobeandmail.com/servlet/story/RTGAM.20080904:wbcgreen04/business/Business/Business/>

²⁶ The Sierra Club Canada website indicates that John Bennett is the current Executive Director of Sierra Club Canada, October 24, 2012, <http://www.sierraclub.ca/>

meetings with Mr. Baird, the theme of environmentalists being in bed with the Liberals comes up all the time.

"In one meeting I said, partly in jest: 'I am not now, nor have I ever been, a member of the Liberal Party of Canada.' But I'm not sure I have ever been able to convince them that SCCF is not a hardcore Liberal base."

Mr. Bennett said evidence of Mr. Baird's attitude to environmental groups surfaced soon after he took over the portfolio, at a meeting in Ottawa in April, 2007. "This was the first time that Baird agreed to meet with environmental groups about climate change," Mr. Bennett said. "He came into the room and he turned to Louise Comeau, of the Sage Centre and said, 'You wrote [Liberal Leader Stéphane] Dion's green plan.' Then he turned to Emilie Moorhouse from the SCCF and said, 'Oh, you're a Liberal, because Elizabeth May's a Liberal, so that means you are too.' We sat open-mouthed."

Mr. Bennett said that in 10 years of meetings in Ottawa, it was the first time he had heard a minister be so partisan with environmental groups.

Since the withdrawal of the [SCCF] of B.C.'s grant, environmental organizations are expressing concern over the future of the funding process. Yesterday, the Ecology Action Centre of New Brunswick, recently refused two funding proposals with no explanation, called on Environment Canada to make the process transparent. "We can handle being turned down," EAC policy director Mark Butler said in a press release.

"But we want to know why and we want the process to be fair."

Responding to the accusations of partisanship, an Environment Canada spokesman said: "We meet with a number of environmentalists on a number of occasions. We don't always agree on everything, but I think the [government's] Clean Air framework proves we are willing to work together with environmental groups and are working quite well, in fact."

Mr. Baird was not available for comment. [emphasis added]

Orwell would be impressed...

Submitted by John Bennett on Sun, 2012-09-23 20:05

The climate change issue reached new heights in Canadian public dialogue this week. It wasn't because of the unprecedented melting of Arctic sea ice this summer, the phony-baloney announcement about Canada's 'progress' toward

meeting its greenhouse gas targets, or government's caving on real regulations for coal plants. Nope, it wasn't because of any of these worrisome situations.

Fighting climate change was selected by the Harper government for use as an all-purpose distraction – a fog machine – for the new parliamentary session. Now it didn't have to answer to a number of pressing issues (like the rapidly melting Arctic icecap or 1.4 million unemployed Canadians). So when the leader of the opposition rose to ask his first question he was promptly attacked as an economy-destroying peddler of carbon taxes. For a week the Prime Minister and a gaggle of ministers and backbenchers repeatedly leveled this false charge at every opportunity. It quickly turned into a farce.

The NDP of course doesn't support a "\$21 billion dollar carbon tax" – they favour a cap-and-trade system, as did the Conservatives in their 2006 and 2008 election platforms. It's all Conservative doublespeak. Orwell, who once wrote in a famous essay that the "great enemy of clear language is insincerity", would be impressed by the level of hypocrisy and doublethink. With the Arctic in full-melt mode, I (and many Canadians) was hoping for a serious debate to begin in this parliamentary session. We didn't get that. Instead, this week's performance in the House of Commons was the worst kind of diversionary politics.

You will recall that last spring I challenged Environment Minister Peter Kent to either produce evidence of money laundering by environmental organizations or withdraw his accusations. I even offered to contribute \$100 to his favourite environmental charity if he had any proof. Needless to say, he didn't respond. I didn't expect he would but I hoped that after having been called-out once for false and misleading statements, the minister would be more careful in future communications. Nope.

Last month Kent held a press conference to make an announcement on Canada's 'progress' towards meeting its inadequate greenhouse gas reduction targets. He said we're 50% there – quite a remarkable achievement since according to data they only reached 25% in 2011. Sound too good to be true? Well, it is. Kent used various accounting tricks (like counting forests as carbon sinks) to spin a positive announcement. Even the Financial Post ridiculed the minister. Somehow he was able to read his statement with a straight face. $2+2=5$.

This was followed by Kent's long-awaited announcement on regulations for coal-fired power plants. After a year of consultation (Kent said his department reviewed over 5000 comments) he announced his department would further weaken the rules and lengthen the lifespan of coal-fired plants to 50 years!!!! I asked Environment Canada for a breakdown of the comments knowing about 1500 came from Sierra Club Canada supporters calling for stronger, more urgent action. I obtained a copy of the official comments only to find the public was ignored. It turned out only 30 comments were officially recorded and there

is NO mention that 5000 were submitted (which the Minister had publicly acknowledged).

Fast forward... The Canadian Environmental Assessment Agency gave Canadians until August 24th to submit comments on the proposed list of projects requiring an environmental assessment (EA). You may remember that on advice from our lawyers, [SCCF] withdrew its request for a judicial review of the decision to allow Bruce Power to export 1600 tonnes of radioactive nuclear waste through the Great Lakes and on to Sweden. Bill C-38, which replaced the Canadian Environmental Assessment Act with weaker laws, eliminated our legal footing. But at the time our lawyer wisely advised us to use the EA comment period to argue in support of EAs for large nuclear waste shipments, which we did.

At our urging 1780 Canadians sent in comments. So I was disheartened but not surprised when I received a summary of the 'official comments' from the Agency which stated, using careful language, that 44 comments were received from 'targeted' stakeholders. "No, they hadn't been missed," I was told by CNSC officials when I enquired as to why. They felt their summary was 'reflective' of the comments received. I asked them to correct the record but I'm not holding my breath. Apparently none of these 'stakeholders' included us or even raised the issue of nuclear waste shipments. I asked if there had been some mistake.

You may also remember in 2011 we generated over a thousand letters (1022) to the Canadian Nuclear Safety Commission (CNSC) regarding the proposed, and ill-advised in our opinion, refurbishment of the Point LePreau nuclear facility in New Brunswick. We were then dismayed to see that the over a thousand citizens who sent in submission weren't included in the official comment record.

A couple of weeks ago Allan Greg, founder of Decima Research and former advisor to Brian Mulroney – and until recently a regular panelist on The National – wrote a damning piece referencing Voltaire and Orwell to express his concern for the lack of honesty in the federal government's communications. Gregg essentially agreed with what I've been saying for years now – that we're no longer dealing with facts and science but have entered a new age marked by a permanent Orwellian disinformation campaign designed to confuse and mislead.

Canadians deserve better, or at least the truth.

Meanwhile, as I wrote in my last blog, the ice is rapidly melting...

Conservative War On Unions: As Public Service Job Cuts Mount, Tories Distract, Destabilize Critics²⁷

...
Critics of the government, such as [SCCF] executive director John Bennett, see a wider game of political distraction at play — the kind the Tories perfected last winter when they accused environmental groups of being radicals backed by foreign interests.

For months, environmentalists were forced to explain their activities and funding sources while the Harper government crafted a budget that scrapped decades of environmental legislation the groups had fought for.

The campaign began in January, when Natural Resources Minister Joe Oliver suggested "radical groups" were out to destroy Canada's economy. Environment Minister Peter Kent raised the spectre of charitable groups "laundering" foreign funds in Canada. And Conservative senators launched an inquiry into the "interference of foreign foundations in Canada's domestic affairs and their abuse of Canada's existing Revenue Canada charitable status."

"It was a total distraction," Bennett said. "I think that is what they wanted us to do — to be messaging not the vision of a sustainable future but rather the complaints of an interest group.

"And I think they are doing the same thing to the unions," he said.

...
Sierra Club Canada has not only targeted the Conservative Party of Canada. Bennett on behalf of Sierra Club Canada recently apologized for defamatory remarks against past Conservative Premier of Newfoundland Danny Williams. This letter is attached as Appendix "B".

SUMMARY OF THE COMPLAINT

SCCF is a registered charity with a stated mission "to advance the preservation and protection of the natural environment with charitable resources."²⁸

SCCF funds Sierra Club Canada to, ostensibly, meet its mission:

²⁷ Huffington Post, "Conservative War On Unions: As Public Service Job Cuts Mount, Tories Distract, Destabilize Critics", http://www.huffingtonpost.ca/2012/09/25/conservative-union-bills-canada_n_1910888.html

²⁸ SCCF, "About Us", <http://www.sierraclub.ca/en/foundation>.

While the Foundation is autonomous and governed by its own Board of Directors, it works closely with Sierra Club Canada in pursuing its program goals.²⁹

Sierra Club Canada is the agent of Sierra Club Canada Foundation, a registered charitable organization with the Canada Revenue Agency.³⁰

As outlined above, Sierra Club Canada appears to be an overtly political organization. It lobbies for the change of laws and government policies and engages in partisan political activity. It appears that Sierra Club Canada conducts these political activities as the agent of the SCCF, and as such these are the activities of SCCF. The overall appearance is that either SCCF is acting as a conduit and not maintaining direction and control over the funds given to Sierra Club Canada, or it is purposively directing Sierra Club Canada to conduct prohibited and political actions on its behalf, neither of which is in accordance with CRA rules related to registered Charities.³¹

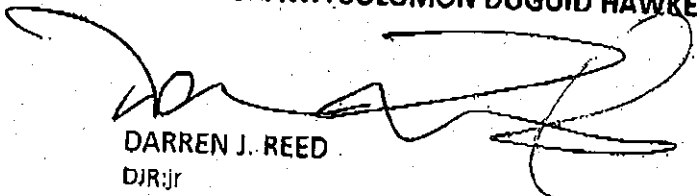
CONCLUSION

These activities of SCCF may well contravene the CRA rules relating to prohibited and political activities of registered charities.

It is urged that in these circumstances an investigation should be conducted with a view to determining whether such violations have occurred and are occurring and, if so, whether SCCF should be sanctioned.

Yours truly,

JENSEN SHAWA SOLOMON DUGUID HAWKES LLP



DARREN J. REED

DJR:jr

cc: SCCF Foundation (via facsimile: 1-513-241-2292)
Attn: Angela Rickman, President

²⁹ SCCF, "Home Page", <http://www.sierraclub.ca/en/foundation>.

³⁰ SCCF, "About Us", <http://www.sierraclub.ca/en/foundation>.

³¹ This statement is based on the assumption that Sierra Club Canada only participates in political activity, which is what a review of Sierra Club Canada's website appears to indicate.

APPENDIX "A"

Dirty Oil Diplomacy

The Canadian Government's Global Push to Sell the Tar Sands.



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DRAW THE LINE Moving beyond tar sands oil

Why draw the line?

Internationally and at home Canada has prided itself with a reputation. Canada was among the first to impose sanctions against the apartheid regime in South Africa, has been there to help when disaster strikes such as the earthquake in Haiti, and has sent Peacekeepers to war torn countries to protect the vulnerable and encourage and restore democracy. From our banking system to our health care system to our hockey teams, others look to us as a model.

Today, this reputation is being undermined by the oil companies extracting dirty oil from the Alberta tar sands. These companies, along with some government officials, are aggressively expanding the tar sands and pushing Canada's oil on the world and blocking effective, smart policies to fight global warming in Canada, the United States, and Europe. All the while, Canada's wilderness and wildlife, clean air and fresh water are being contaminated and destroyed. Pipelines across the United States and Canada carrying tar sands also pose major risks to the ocean, lakes and rivers, lands and wildlife. Burning tar sands oil creates more carbon pollution than conventional oil.

The time has come to draw the line

While countries like Denmark are planning their transition away from fossil fuels and building low carbon economies, Canada's economy is increasingly dependent on the ability to export oil from the tar sands. At the same time, exporting tar sands oil to countries such as the United States increases American dependence on oil - a step backwards.

The increasing dependence on oil to drive the Canadian economy is a shortsighted plan that could hurt or inhibit other sectors (including clean energy) and makes Canada more vulnerable to the volatility of global oil prices.

Whether you define yourself as First Nations, Quebecols, Canadian, American, or a citizen of the world, the time has come to take a stand and draw the line on tar sands.



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Introduction

What comes to mind when you think of Canada? Is it the spectacular untouched wilderness? The cultural diversity and tolerance? Canada's reputation as international peacekeepers? Hockey? You may have stumbled across a backpack with a maple leaf sewn on it, only to find that the owner does not in fact bear a Canadian passport, but instead knows the value of the Canadian "brand". Canadians are considered to be nice, friendly, and on a broader scale often considered a "middle power" and an "honest broker" that plays a constructive role on the global stage.

Canada's international reputation is rooted in history. The 14th Prime Minister, Lester B. Pearson, won the Nobel Peace Prize for his role in the Suez Canal crisis. Canada spearheaded the Montreal Protocol, which curbed the use of ozone-depleting substances. The Canadian government led on the Ottawa Treaty to ban landmines. Canada was one of the first countries to sign the Kyoto Protocol. As a country, Canada has consistently been counted on to mediate in conflict zones, and was among the first western countries to impose sanctions on the apartheid regime in South Africa.

Today, however, things are changing. The current government wants to position Canada as an "Energy Superpower" which means rapidly extracting and exporting some of the most carbon intensive oil in the world. This is motivating a new direction in both domestic and foreign policy.

Domestically, the Canadian Government has failed to put in place policies to regulate greenhouse gas emissions from the oil sector, has eliminated federal support for renewable energy and climate science, has continued to subsidize the oil, coal and gas sectors, and has branded First Nations, environmental organizations, and the official opposition in Canada as, "radicals," "extremists," and even "terrorists." This increasingly hostile rhetoric is being used against anyone who challenges the rapid expansion of the tar sands and associated infrastructure.

Internationally, the Canadian Government's withdrawal from the Kyoto Protocol followed years of being singled out as a laggard at international climate negotiations. The Governments' of Canada and Alberta, along with the oil and gas industry, are now collaborating on the "Oil Sands Advocacy Strategy" that attempts to undermine or kill other jurisdictions' climate policies.

Yet the values of Canadian people have not changed- they remain rooted in a respect for our shared environment, peacekeeping and collective well-being¹. There is therefore hope that Canada will once again return to playing a constructive role in the world.



Tar Sands 101

Tar sands, also known as oil sands or natural bitumen, are a naturally occurring heavy crude oil mixed together with sand or clay and water¹. Unlike conventional crude oils, bitumen is too thick to flow on its own or be pumped². In order to move bitumen it must be heated to high temperatures, or dissolved by a chemical solvent. Once the bitumen is extracted, it must be upgraded to synthetic crude oil before it can be processed like conventional oils³.

It is the fact that tar sands do not flow freely and that the oil must be separated from the clay and sand that makes them so much more energy intensive than conventional crude oils. The need to heat or dilute and upgrade the bitumen means the process of turning into oil that can be used requires on average 23% more energy than other forms of conventional crude⁴.



Aerial View of Tar Sands

Tar sands deposits can be found around the world, with the largest known deposits in Canada and Venezuela⁵. The Canadian tar sands, found predominately in the province of Alberta, are the most developed tar sands deposit in the world and the third largest petroleum deposit globally after Saudi Arabia and Venezuela⁶. Canadian tar sands mining is done in one of two ways; surface mining is used when the tar sands are close to the surface and "in situ" techniques are used for deeper deposits to heat the bitumen and pump it to the surface. Most of the Alberta tar sands deposits that remain will require in situ extraction, the more energy intensive of the two processes^{7,8}.

Climate Change

Emissions from extracting and upgrading the tar sands are Canada's fastest growing source of greenhouse gas pollution. From 2005 to 2020, the tar sands are projected to grow nearly four times more than Canada's industrial emissions as a whole^{9,10}. Based on extraction and upgrading, tar sands pollute between 3.2-4.5 times more per barrel than conventional oils produced in Canada or the United States¹¹. They are being developed very quickly without any federal regulations to limit their greenhouse gas pollution^{12,13}. The tar sands already have a carbon footprint comparable to Switzerland and greater than over 140 other countries in the world^{14,15}. If Alberta were a country it would have the highest per capita carbon footprint in the world at 69 tonnes of CO₂ equivalents per person per year¹⁶— well above its closest competitor, Qatar at 49¹⁷.

Water

Tar sands production requires high quantities of water, between two and four barrels for mining and about a barrel and a half for in situ techniques per barrel of oil¹⁸. Most of the water for mining tar sands comes from the Athabasca River, and because of the high toxin levels in wastewater, next to none of it can be returned to the river^{19,20}. As a result, this wastewater is either held in tailings ponds, or injected deep underground^{21,22}.

Tar Sands 101

The amount of water that is currently used in tar sands production has the potential to seriously threaten the ecosystem of the river, which not only flows into one of the world's largest freshwater deltas, but is also a central part of the lives and livelihoods of First Nations people living downstream from the tar sands^{23,24}. At current rates, tar sands production can draw up critical volumes of water during low-flow periods²⁵.

Despite four decades of tar sands development, there is very little information about the effects of the tar sands on the Athabasca River²⁶. Due to considerable criticism from a number of independent scientific panels, the Federal and Provincial governments have recently announced new plans for monitoring the sensitive aquatic ecosystem^{27,28,29}. While this new monitoring plan is a noted improvement, it will take years before the new environmental data is generated and it remains uncertain if this information will be used to inform future oilsands project approvals. In the meantime, the government continues to approve new oilsands projects³⁰.

Tailings Lakes

Tailings are waste byproducts of tar sands mining and are basically a mix of sand, clay, water, and toxins³¹. Tar sands tailings are chronically and acutely toxic to most organisms, with high concentrations of arsenic, mercury, lead, and other carcinogenic chemical byproducts of tar sands production³².

Tailings lakes are used for long-term containment of waste. These lakes currently cover over 170 square km of land and they are being filled at a rate of over 200 million litres per day^{33,34}. Even with tailings recovery systems, hydrologic modeling by industry suggests these lakes leak and seep into groundwater and the watershed at an estimate rate of 11 -12.6 million litres per day³⁵. Despite these known concerns, leakage is not well documented or studied³⁶.

Reclamation

Of 686 square km that has been affected by tar sands surface mining, only 1.04 square km is certified reclaimed³⁷. Canada's boreal forest remains one of the largest intact carbon sinks in the world. Many of the areas affected by oilsands development are over 40 percent bogs and fens, wetland systems that take thousands of years to develop. Restoration to its original state following mining, given current reclamation technologies, would be impossible in our lifetimes³⁸.

Air Pollution

In addition to global warming emissions, tar sands production releases other air pollutants including nitrogen oxide, sulphur dioxide, particulate matter, and other volatile organic compounds³⁹. These pollutants contribute to acid rain and smog and can be dangerous to human health^{40,41}. In the same way that tar sands production produces more greenhouse gas pollution than conventional oil, it also produces twice as much acid rain-forming nitrogen oxides and sulphur dioxides per barrel⁴².



Tar Sands 101

When measured against existing air quality standards in the province of Alberta, the concentration of these pollutants exceeded air quality requirements over 1,500 times in 2009 alone⁴³. The standards currently used in Alberta are below international standards for air quality⁴⁴.

First Nations

In Canada, First Nations are priority rights holders, not stakeholders. Canada is constitutionally bound to consult with First Nations on anything that impacts First Nations traditional or treaty lands⁴⁵. First Nations are increasingly pointing to specific cases in which these rights are being violated as a direct result of tar sands developments⁴⁶.

First Nations communities living downstream from the tar sands on the Athabasca River have been shown to have cancer rates 30% elevated from the general population of Alberta⁴⁷. The lives and livelihoods of these communities depend on subsistence hunting and fishing and direct impacts of water quality, aquatic ecosystem health, and other local animal populations as a result of tar sands production have not been adequately monitored in these communities⁴⁸.

Many First Nations have now called for a moratorium on any further tar sands development until adequate attention is given to the impacts on their lives and livelihoods as well as their treaty rights and human rights⁴⁹. In 2009, Canada scored 6th globally in the United Nations periodical review of human rights. However, when considered with respect to its Aboriginal peoples, the score dropped to 66th^{50,51}.

As of yet, there is no legal framework within the Constitution of Canada that recognizes the principles of Free, Prior and Informed Consent (FPIC) for the right of First Nations to say "No" to a proposed development. In 2010, Canada signed the UN Declaration on the Rights of Indigenous Peoples, however with qualification – its objection to the FPIC principles – as central tenets of the Declaration.

Cost/Economics

Canada's tar sands are the world's most expensive major source of oil and are very sensitive to the volatility of global oil prices⁵². New mining projects require an oil price of \$65-\$95 per barrel to be economic⁵³. If the price of oil rises beyond \$120 to \$150 per barrel, a demand-destroying recession could occur⁵⁴. Given this high price floor and low price ceiling, the economic viability of the tar sands industry contains very little flexibility.

Beyond the economic uncertainties of this industry, it also takes considerable time and cost for projects to begin producing oil. Many mines take many years to acquire necessary regulatory approvals and complete construction. Massive labour shortages also increase the construction and operating expenses for many operations. For instance, Imperial Oil's Kearl Mine is now projected to cost over \$28 billion dollars⁵⁵. It received regulatory approvals in 2009 and will be fully operational by 2020.



Domestic Policy: Tar Sands at All Costs

"As you know, further exploitation of the tar sands will dramatically increase the amount of greenhouse gas emissions being produced in North America. It will also ultimately make turning the clock back on climate change impossible. But you have a choice. You can use the powers that you have to halt the expansion of the tar sands and put Canada on course to do its fair share to address climate change. This decision requires some tough choices, but in the long run—and for the sake of all future citizens who do not have a say in the decisions we make today—it is the right thing to do."

– 8 Nobel Peace Prize Laureates in an letter to Prime Minister Harper, September 28, 2011³

Canada is among the top ten global carbon emitters by any measure: per capita (8th), absolute (7th), and historical (10th)⁴. If the Province of Alberta, the home of the tar sands, were a country, it would have the highest per capita emissions in the world, at 69 tonnes of carbon dioxide equivalent per person per year^{4,5}. Despite being the home of one of the largest and fastest growing industrial oil projects on the planet, there are no federal regulations in place for greenhouse gas pollution from the tar sands, a sector that is projected to account for more than 100% of growth in Canadian emissions between now and 2020^{6,7,8}.

In addition to having no regulations to limit tar sands emissions, the Canadian Government has stopped support for clean energy deployment in Canada as well as ending all federal incentives for energy efficiency through federal programs such as the ecoEnergy policy suite^{9,10}. At the same time there are ongoing subsidies and tax-breaks, funded by Canadian tax payers, of at least \$1.3 billion dollars annually for the oil and gas sector in Canada¹¹.

There is growing concern within Canada and abroad regarding the Canadian Government's failure to address concerns related to the impacts of unfettered tar sands activities. To date, the Canadian Government has failed to take meaningful action to address these concerns and has instead responded in Canada with a series of attacks on climate science, civil society, and opposition parties in Canadian Parliament.

"[t]he tar sands remain the largest source of greenhouse gas emission growth in Canada and are the single largest reason Canada is failing to meet its international climate commitments and failing to be a climate leader. The world needs to transition off of fossil fuels that means coal, unconventional gas, and unconventional oil all need to be addressed."

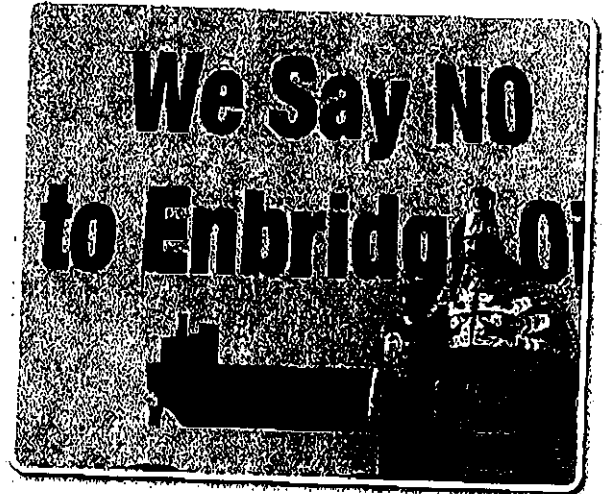
– Dr. Andrew Weaver, IPCC Climatologist,
University of Victoria¹²



Domestic Policy: Tar Sands at All Costs

A lot of talk and no action

The current Canadian Government announced two climate change plans in 2007 and 2008 that were never implemented, and then in 2009 announced a plan to harmonize Canada's climate change action with the United States^{13,14,15}. The Government did harmonize vehicle regulations with the United States, but analysis has shown this will likely lead to little or no reductions in emissions beyond business as usual¹⁶. The 'follow the U.S.' approach has since been replaced by a promise to follow a sector-by-sector regulatory approach to greenhouse gas emissions reductions. In 2010 the federal government announced a new target for 2020 that would see Canadian emissions remain above 1990 levels¹⁷. This made Canada the only country to return from the United Nations Copenhagen climate negotiations and weaken their emissions reductions target¹⁸.



First Nations in BC are opposed to Tar Sands pipelines crossing their territory. Source: Forest Ethics

The federal government's own analysis shows that implementing all currently announced federal and provincial policies will deliver only one quarter of the reductions needed to meet its own 2020 target. In other words, in order to reach a weak target of 2.88% above 1990 levels by 2020, Canada's policies for emissions reductions would have to be 10 times more ambitious¹⁹.

Canada's former Minister of the Environment, Jim Prentice, promised the European Union that regulations were on the way in 2010²⁰. More recently, industry and high-level bureaucrats at the Department of Foreign Affairs and International Trade also indicated that regulations are critical in improving the image of the tar sands as well as countering the government's worsening reputation²¹.

"How come the rest of the world is trying to reduce emissions, especially in fossil fuel production, and Canada has these plans to drastically expand the tar sands? That's really difficult to grasp."

- Miguel Llovera, Paraguayan negotiator for the United Nations Framework Convention on Climate Change, December, 2009²²

Domestic Policy: Tar Sands at All Costs

Paying Polluters

Prime Minister Harper joined other G20 leaders in Pittsburgh in 2009 in committing to a phase-out of fossil fuel subsidies²³. In preparation for the 2010 G20 meeting in Toronto, the Prime Minister rejected a recommendation from the Canadian Department of Finance to announce a phase out of over 800 million dollars in subsidies to the oil and gas industry in Canada, which favour exploration and development for new tar sands projects²⁴. Prime Minister Harper instead chose the option that was not recommended by the Department which was designed to create the appearance of compliance without undertaking any new actions²⁵.

"I don't know if you've noticed, but they're doing just fine on their own. So instead of subsidizing yesterday's energy, let's invest in tomorrow's."

- President Obama on oil companies, State of the Union, January 2011²⁷

The federal government has taken steps to phase-out minor subsidies to the oil and gas sector, but they remain a long way from ending the current \$1.3 billion in preferential subsidies given to the sector²⁶.

"Energy markets can be thought of as suffering from appendicitis due to fossil fuel subsidies. They need to be removed for a healthy energy economy...It's also undermining the competitiveness of renewables."

- Fatih Birol, Chief Economist at the International Energy Agency, January 19, 2012²⁸

Declining Government Support for Climate Science

Beginning in 2009, Canadian media has found its access to Canada's leading government climate scientists restricted²⁹. The current government implemented communications policies that prohibit interviews with expert scientists unless communications lines have been pre-approved by communications departments and, depending on subject matter, the Prime Minister's Office³⁰. These restrictions led to an 80 per cent decline in climate change media coverage based on government scientists' expertise over the course of one year³¹.

"The Prime Minister is keen to keep control of the message. I think to ensure that the government won't be embarrassed by scientific findings of its scientists that run counter to sound environmental stewardship. I suspect the federal government would prefer that its scientists don't discuss research that points out just how serious the climate change challenge is."

- Professor Thomas Pedersen, University of Victoria, February, 2012³⁴

In February 2012, six major science bodies wrote an open letter condemning government muzzling of scientists, and subsequent media coverage featured a number of respected Canadian scientists accusing the government of trying to cover up important research, including research on climate change and environmental monitoring^{32,33}.



Domestic Policy: Tar Sands at All Costs

The Canadian Government has also instigated a steady decline in support for climate research in Canada that has been complemented by an increase in appearances by climate deniers and skeptic positions in formal government sessions^{35,36}.

"I have to admit that what I read tells me that there is not a consensus among scientists. There are many different points of view and different kinds of research happening out there. One of the things that I am starting to see now is quite a few studies showing that we may be heading into a period of global cooling, which would maybe be a lot more problematic for Canada than global warming. Our country is on the cool side."

- *Greene Raine, Canadian senator appointed by Prime Minister Harper, Fall, 2011*³⁷

Government Attacks on Environmental Groups and First Nations

The Canadian government has recently engaged in an escalating use of aggressive rhetoric to attack those critical of the tar sands and related infrastructure like new pipelines.

"To judge from Oliver's nasty little letter, those vast pits of bitumen across Alberta aren't just dirtying the sky, they're starting to do some damage to the country's soul."

- *Bill McKibben, January, 2011*³⁸

On January 9, 2012, Minister of Natural Resources, Joe Oliver, wrote an open letter addressed to Canadians that was published in one of Canada's largest newspapers. This letter targeted "environmental and other radical groups [threatening] to hijack our regulatory system to achieve their radical ideological agenda³⁹." It went on to accuse these groups of being under the control of rich American interest groups aiming to undermine the Canadian economy in their own self-interest. This language was also used by the Prime Minister's office in an official written response to a citizen's inquiry regarding pipeline development⁴⁰.

Shortly following the publication of the letter, a whistle-blower alleged that a foundation had been told their charitable status was at risk if they continued to fund groups opposed to the current tar sands expansion model⁴¹. This government rhetoric was even further perpetuated by the inclusion of environmental organizations in their new anti-terrorism strategy⁴², with specific reference to the environmental organization Greenpeace.

As part of an *Oil Sands Advocacy Strategy*, made public through access to information legislation, jointly developed with, "like-minded allies" (industries operating in the tar sands) and the Government of Alberta – the federal government also created a chart identifying, "Aboriginal Groups" and "Environmental Groups" as "adversaries" to their energy plans⁴³. In the same chart, they identified Canada's National Energy Board, an organization that is supposed to be a neutral and independent regulator of the energy sector, as an ally. First Nations, many of whom have voiced concerns about the impacts of climate change and resource development on their livelihoods and human rights, expressed alarm at the sweeping generalization⁴⁴.



Canada in the World: Undermining Climate Action

Canada Withdrawal from International Climate Commitments

"The Kyoto Protocol is not only a cornerstone of the international climate regime, but a legally binding agreement under the UNFCCC and that any attempts by developed countries to casually set aside their existing legal commitments while calling for a new legally binding agreement seriously questions their credibility and sincerity in responding to the climate crisis."

- Joint statement of Ministers from Brazil, South Africa, India and China responding to the Canadian Government's withdrawal from the Kyoto Protocol, February 14, 2012⁴⁵

On December 12, 2011, Canada became the first country to formally withdraw from the Kyoto Protocol, the only legally binding international treaty to fight global warming⁴⁶. The announcement came two weeks after media reported, on the first day of the United Nations climate negotiations in Durban, Canada's intention to pull out of the protocol⁴⁷. The Canadian government's refusal to confirm or deny the rumours while continuing to negotiate the future of the Kyoto Protocol in Durban led many countries to question publically the Canadian government's intentions and good faith in the negotiations⁴⁸.

"I was astonished and disturbed by the comments of my colleague from Canada. I am disturbed to find that a legally binding protocol to the Convention, negotiated just 14 years ago is now being junked in a cavalier manner. Countries which had signed and ratified it are walking away without even a polite goodbye."

- Jayanthi Natarajan, Minister of the Environment for India, in a statement at the United Nations Durban climate talks for which she received a standing ovation, December 2011⁴⁹

"Canada's position is 'disheartening.' We're very frustrated, we're sad and we're bitter and it's a very unfortunate situation. It's a scientific fact that human-induced climate change was created by [industrialized countries] having the quality of life they have today and this is the whole concept of historical responsibility. They should take leadership."

- Senyi Nafu - spokesperson for the Africa group at the United Nations climate talks in Durban, December, 2011⁵⁰

Countries had precedent for questioning the Canadian government's honesty and transparency. Canada's presentation of annual emissions to the United Nations Framework Convention on Climate Change (UNFCCC) omitted a 21 per cent increase in tar sands emissions in 2009 alone⁵¹. This omission did not go unnoticed and the Canadian government was subject to censure during a presentation of Canada's climate change action plan at a UN negotiating session⁵².



Canada in the World: Undermining Climate Action

"I was also struck that the colleague from Canada didn't refer to the tarsands issue or at least only once in passing. This has been an issue featured much in the press, and I know there have been allegations from the press that the emissions from that sector have not been included in Canada's inventory (report submission to the UN)."

- **Peter Betts, the lead European Union negotiator and a director at the United Kingdom's Department of Energy and Climate Change in response to the Canadian Government's presentation of their climate change plan at UN climate negotiations, June 11, 2011**⁵³

The Canadian Government left Durban with its fifth consecutive "Fossil of the Year" award, given by a network of over 700 international civil society organizations from over 90 countries to the country that has done the most to undermine the global climate negotiations⁵⁴. This disregard for a United Nations treaty followed just a few months after the Canadian Government lost its campaign for a seat on the United Nations Security Council. It was the first time that Canada had sought a seat and lost, and the Canadian Government's unpopular stance on climate change was cited as one of the key reasons for the loss⁵⁵.

"Canada is effectively negotiating in bad faith, undermining the whole agreement. At least everyone else is trying to reach their Kyoto targets. Canada is doing absolutely nothing."

- **Saleemul Huq, lead author for the Intergovernmental Panel on Climate Change (IPCC), December 2009**⁵⁶

"The Kyoto Protocol focuses on carbon dioxide, which is essential to life, rather than upon pollutants... the Kyoto Protocol is essentially a socialist scheme to suck money out of wealth-producing nations."

- **Prime Minister Stephen Harper in a 2002 letter to supporters**⁵⁷

Attacks on Foreign Climate Change and Clean Energy Policies Abroad: The Tar Sands Advocacy Strategy

The Canadian Government has an established Oil Sands Advocacy Strategy that appears to have been launched in 2009⁵⁸. There has been no public information on this strategy; as a result the information in this section has been drawn from documents obtained through Access to Information legislation. The strategy was developed by the Government of Canada in consultation with the Government

of Alberta and the oil industry and is run by the Department of Foreign Affairs and International Trade in close collaboration with Natural Resources Canada. The strategy includes federal bureaucrats, diplomats and

"What is at issue on the international stage is [Canada's] reputation as a country... Absent... Canadian leadership we will be cast as a posterchild for environmentally unsound resource development."

- **Former Environment Minister of Canada, Jim Prentice, February 1, 2010**⁵⁹



Canada in the World: Undermining Climate Action

politicians with participation of elected officials from the Government of Alberta, politicians and civil servants as well as industry representatives.

This strategy appears to have been formalized following a series of interferences by the Canadian Government, the Government of Alberta and the oil industry in the Californian Low Carbon Fuel Standard, Section 526 of the U.S. Energy Independence and Security Act that requires federal agency contracts to avoid fuels with higher lifecycle greenhouse gas emissions than conventional oil, and early interventions in the European Union's Fuel Quality Directive⁶⁰.

"Canada doesn't engage itself in the domestic politics of any sovereign nation. We await the decision (and) eventual consideration."

- **Environment Minister Peter Kent,**
February 17, 2012⁶¹

The strategy is divided into at least two subsets: the *United States Oil Sands Advocacy Strategy* and the *Pan European Oil Sands Advocacy Strategy*. The strategy's focus is improving the industry's image abroad and ensuring no doors are closed to Canada's carbon intensive tar sands oil.

The Pan European Tar Sands Advocacy Strategy

According to internal documents, the *Pan European Oil Sands Advocacy Strategy* was launched in January of 2010 in a number of Canadian Embassies in Europe. The Canadian High Commission in London is the "team leader", and members include embassies in Norway, Belgium, France, Germany and the Netherlands⁶². It is heavily focused on engagement with industry, shared communications initiatives between the Governments of Canada, Alberta and the oil industry to paint a cleaner picture of the tar sands. The strategy also includes lobbying European decision makers to weaken or undermine clean fuel policies that would reflect the scientifically-proven higher emissions of the tar sands in the labeling requirements for European transportation fuels.

The central objectives of the European tar sands advocacy strategy include:

- "To protect and advance Canadian interests related to the oil sands and broader interests in Europe, including a Canada's [sic] brand in Europe;
- To defend Canada's image as a responsible energy producer and steward of the environment including climate change issues; and
- To ensure non-discriminatory market access for oil sands derived products⁶³."

In an effort to achieve these objectives the team engaged in at least 110 lobby meetings between Canadian officials and European decision makers in an effort to weaken the Fuel Quality Directive in 2010 alone⁶⁴. The Fuel Quality Directive, a low carbon fuel standard, is an important piece of the European Union's climate change strategy that aims to reduce emissions from transportation by requiring suppliers to move towards less carbon intensive fuels⁶⁵. The Canadian tar sands advocacy strategy recognizes that, "while Europe is not an important market for oil sands derived products, European legislation/regulation, such as the EU Fuel Quality Directive, has the potential to impact the industry globally⁶⁶."



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Countering Canadian lobbying assertions⁶⁷

Tar sands myth-buster	Details
Tar sands are more CO ₂ intensive than heavy conventional crude oils.	<ul style="list-style-type: none"> • Tar sands oil is on average 23% more carbon intensive than conventional crude oils¹; • per barrel, tar sands oil is between 2.3 and 4.5 more carbon intensive than conventional crude oil².
Tar sands emissions do represent a serious problem for Canada and a serious problem for the global climate	<ul style="list-style-type: none"> • The tar sands are Canada's fastest growing source of emissions and will account for a more than a 100% of the growth in Canada's emissions between now and 2020 if expansion continues as industry projects;³ • the Canadian tar sands have a emissions comparable to the country of Switzerland, and emit more than over 140 nations;⁴ • Canada will be unable to meet its own 2020 target let alone its international climate commitments under Copenhagen if business as usual growth in the Tar Sands continues.
Recent reductions in the per barrel emissions from the tar sands will not continue, in fact intensity emissions are projected to increase	<ul style="list-style-type: none"> • While emissions per barrel have been reduced over recent years, for the most part these reductions were one time technological fixes and will not contribute meaningfully to further reductions in emissions intensity;⁵ • the low hanging fruit for reducing emissions from the tar sands have been employed, much of the remaining tar sands projects will require in situ development, which is on average 2.5 times more energy intensive than strip mining.^{6,7}
Transitioning off of all fossil fuels is necessary to achieve true energy security	<ul style="list-style-type: none"> • True energy security in the face of global climate change means moving towards efficient use of clean, safe and renewable energy; • the International Energy Agency has found that for every dollar not spent on renewable energies today, it will cost \$4.20 to make up the difference by 2020; • as other jurisdictions adopt policies that support lower carbon options, Canada will lose its competitiveness in the global market.
First Nations concerns are not adequately addressed in tar sands projects	<ul style="list-style-type: none"> • First Nations are priority rights holders, not stakeholders. Canada is constitutionally bound to consult with first nations on anything that impacts First Nations traditional or treaty lands. Presently Alberta lands are leased to industry prior to the completion of an Environmental Impact Assessment and prior to consultation with First Nations.^{8,9}
High carbon fuels are becoming less valuable as countries live up to climate commitments and move away from highly polluting fuels	<ul style="list-style-type: none"> • If the U.S. and Europe reduce their imports of high carbon fuels, this fuel could be exported to Asia, but at a much lower price making it less attractive to produce high-carbon fuels¹⁰; • new pipelines are not a given, as demonstrated with the Keystone XL pipeline and current debates around the Enbridge Northern Gateway pipeline that would ship oil west. This reality means that currently producers are accepting much lower than market prices because they don't have options.
Canada is failing to live up to its climate change commitments, internationally and domestically	<ul style="list-style-type: none"> • Existing policies will only take Canada one quarter of the way to their 2020 target – federal policies would have to be 10 times more ambitious to meet Canada's current weak target;¹¹ • the federal government currently has no policies in place to regulate the greenhouse gas pollution from the tar sands, Canada's fastest growing source of greenhouse gas pollution.¹²
The Province of Alberta is not doing nearly enough to be address the environmental and climate impacts of the tar sands.	<ul style="list-style-type: none"> • While Alberta was the first jurisdiction in North America to apply a carbon price for large emitters, recent analysis finds this incentive has been far too low to adequately reduce pollution;¹³ • over the two decades from 1990 and 2009, Alberta's greenhouse gas pollution increased dramatically (more than any other jurisdiction in North America), and the province is on track to continue that trend under current policies.¹⁴
The European Fuel Quality Directive does not discriminate against Canadian tar sands	<ul style="list-style-type: none"> • The European Fuel Quality Directive assigns values to 'feedstocks', that is to say that oil with the same properties are treated the same no matter where they are found in the world. Tar sands in Canada are treated exactly the same way as tar sands in other parts of the world because the definition for "natural bitumen" is geographically neutral; • this policy also assigns values for a number of other very high carbon intensive fuels in this policy such as coal to liquids and shale oil reflecting the EU's goal to reduce emissions from transportation fuels; • if a tar sands producer can prove that their methods are cleaner, they can present the data to the European Commission and have the value changed to reflect their actual intensity value (this also acts to incentivize cleaner production).¹⁵

Canada in the World: Undermining Climate Action

The Pan European Tar Sands advocacy strategy also included:

- tours of the tar sands with European Decision makers in which, "it is important that visitors be given the opportunity to meet with NGOs and First Nations (to strengthen the credibility of the visit)" as well as ministerial and high level visits to the E.U.^{69,69};
- tar sands lobby training sessions for Canadian Diplomats in London with industry at a cost of over \$54,000 for a two day session⁷⁰;
- recommendation for the hiring of a professional public relations firm to help clean up the tar sands image in Europe as well as "glossy" promotional materials^{71,71};
- recognizing the importance of the tar sands advocacy in the context of the ongoing Canadian European Trade Agreement (CETA)⁷³;
- "targeted outreach and enhanced cooperation with companies", including "regular" meetings between Heads of Missions in European countries and: Statoil, Shell, Total, BP, Royal Bank of Scotland, and Canadian oil companies⁷⁴;
- meetings between high-level officials and ministers with European media;
- the first annual meeting of the Pan European tar sands advocacy team in London which included participation from: "key missions in Europe, the Department of Foreign Affairs and International Trade, Natural Resources Canada, Environment Canada, the Government of Alberta, senior level participation from the Canadian Association of Petroleum Producers, Shell, Statoil, Total, Royal Bank of Scotland, [and former Alberta environment Minister] Minister Liepart⁷⁵."

"We would expect hard lobbying from the oil companies, there are a lot of European companies involved in the production of oil sands. And we didn't. The part that was more active was the Canadian government."

- Member of European Parliament Kriton Arsenis on Canadian Government lobbying against the EU Fuel Quality Directive, November 23, 2011⁷⁸

The strategy has been built and framed around solving public relations problems by creating better messaging, and ensuring that policies in other jurisdictions do not affect Canada's ability to sell carbon intensive tar sands oil, even if that requires heavy lobbying in attempts to undermine or prevent such policies. There is no mention of the Canadian Government taking concrete actions to reduce the climate, environmental and human rights impacts of the tar sands. The sole call for greenhouse gas regulations during this strategy implementation comes from industry during an advocacy team meeting⁷⁶.

"The sooner the Canadian government is able to roll out information on anticipated new regulations on coal fired generation and the oil sands, the better able Canada will be to demonstrating that it is taking action."

- Reflections from Industry representatives at a pan- European tar sands team meeting⁷⁷



Canada in the World: Undermining Climate Action

The strategy also includes the importance of emphasizing Canada's relationship and strong consultation processes with First Nations, while the same document characterized "Aboriginal groups" as "adversaries"⁷⁹. It identifies the need for effective engagement with non-governmental organizations for building stronger policy, and then similarly assigns environmental groups the label of "adversaries."

The Canadian Government has also made trade threats to Europe related to the Fuel Quality Directive. The European Commission has indicated that legal analysis supports the policy vis-à-vis the World Trade Organization because it is not discriminatory against Canadian tar sands⁸⁰. Media reports have revealed that the Canadian Government has also been making threats in the ongoing Canadian and European Trade Agreements regarding the Fuel Quality Directive despite public claims to the contrary^{81,82}.

"Canada has been lobbying the Commission and Member States intensively to avoid a separate default value for fuel derived from tar sands. It has raised the issue in the context of EU-Canada negotiations on a Free Trade Agreement."

- Steering note from the European Commission, June, 2010⁸³

The *Pan-European Oil Sands Advocacy Strategy* follows many high profile interventions and lobbying from Ministers and Canadian decision makers during the initial consultation phases for the implementation of the Fuel Quality Directive⁸⁴. Canada was the only country outside of the European Union to intervene in the consultations and Alberta's former environment minister, Rob Renner, has publically boasted about Canadian lobbying attempts to weaken European policy^{85,86}.

In a February 23rd, 2012 vote to determine the fate of the highly contested values for high-carbon fuels there was no qualified majority either for or against the policy meaning that the decision is now in the hands of publically accountable ministers. This decision was a clear indication that the scientific discussion had become politicized. Countries where the Canadian lobbying was most heavily focused, the United Kingdom, Norway, France, Germany and the Netherlands all abstained from voting either for or against the proposed implementation^{87,88}.

The United States Tar Sands Advocacy Strategy

After failing to implement a national climate change plan in 2009, the Canadian Government announced that, "it is in the best economic interest of both Canada and the U.S. to harmonize our climate change policies." It references the common North American vehicle standards that have been announced, the Clean Energy Dialogue as well as plans for a continental cap-and-trade system⁸⁹. The 2012 federal budget will include a \$90.3 million dollar funding increase with the objective to, "enhance Canada's visibility as an international leader in clean energy technology and deepen engagement with the U.S. on climate change issues." This fund will also, "seek to expand Canada's voice within the U.S. regulatory processes on climate change and energy impacting Canada."

The reference here would be: Treasury Board of Canada, 2012 federal budget estimates¹⁰².

Further speaking points on harmonization read as though the Canadian government has decided to leave Canada's entire climate change plan in the hands of the U.S. administration:

Dirty Oil Diplomacy: The Canadian Government's Global Push to Sell the Tar Sands.



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"The North American economy is integrated to the point where it makes absolutely no sense to proceed without harmonizing and aligning a range of principles, policies, regulations and standards. We will only adopt a cap-and-trade regime if the U.S. signals that it will do the same. Canada's position on harmonization applies equally to regulation⁹⁰."

In the months following the harmonization announcement, the U.S. tar sands advocacy strategy recognized the "real" challenges associated with tar sands growth including air pollution, land and water use, social challenges resulting from rapid growth and the "impact of this growth on other stakeholders in the region⁹¹." Concern is stated in the strategy for, "a number of legislative and regulatory initiatives in the U.S. and Europe [that] target oil sands and could potentially restrict Canada's market access in these markets⁹²."

To counter these image problems associated with the "real challenges" of the tar sands, the strategy again takes a public relations and lobbying approach rather than proposing meaningful policies to address the problems themselves. Internal government documents outline the heavy lobbying along with the Alberta Government of U.S. decision makers and "influential business people and opinion formers⁹³."

The U.S. tar sands advocacy strategy trained U.S. Heads of Missions in Ottawa on November 10, 2010 before sending them to lobby U.S. officials in their respective regions. This training outlined challenges, including the, "perceived social impacts (e.g. Aboriginal health) gaining profile⁹⁴," but made no reference to evidence such as the most recent Government of Alberta health study that identified that cancer rates are 30 per cent higher than expected in First Nations communities living downstream from the tar sands⁹⁵.

The Canadian Government initiated its pro-tar sands lobbying in the United States through interventions against California's Low Carbon Fuel Standard and Section 526 of the U.S. Energy Independence and Security Act. Both policies aim to move towards less carbon intensive fuels and were met by near identical criticisms from the Governments of Canada and Alberta as well as the oil industry⁹⁶. Documents obtained by Climate Action Network Canada have since shown the joint development of communications and messaging by Government and industry through the tar sands advocacy strategy, with the Canadian Government acting in concert with the tar sands industry⁹⁷.

In one email, obtained through Access to Information, officials at the Canadian High Commission in Washington D.C. urge the Canadian Government to develop a communications strategy that calls for respect for "sovereignty, development of natural resources, and national environmental management⁹⁸."

The Canadian Government's de facto decision to defer to the U.S. to define the continent's approach to tackling climate change did not go according to plan when President Obama rejected a presidential permit for the construction of the Keystone XL tar sands pipeline, a pipeline that Prime Minister Harper had called "a complete no-brainer⁹⁹." This decision was based on, among other things, concerns for the climate impacts of the tar sands¹⁰⁰. The U.S. tar sands advocacy strategy makes reference to the Keystone XL pipeline discussions, but these sections of the documents obtained through Access to Information Documents are heavily redacted¹⁰¹.



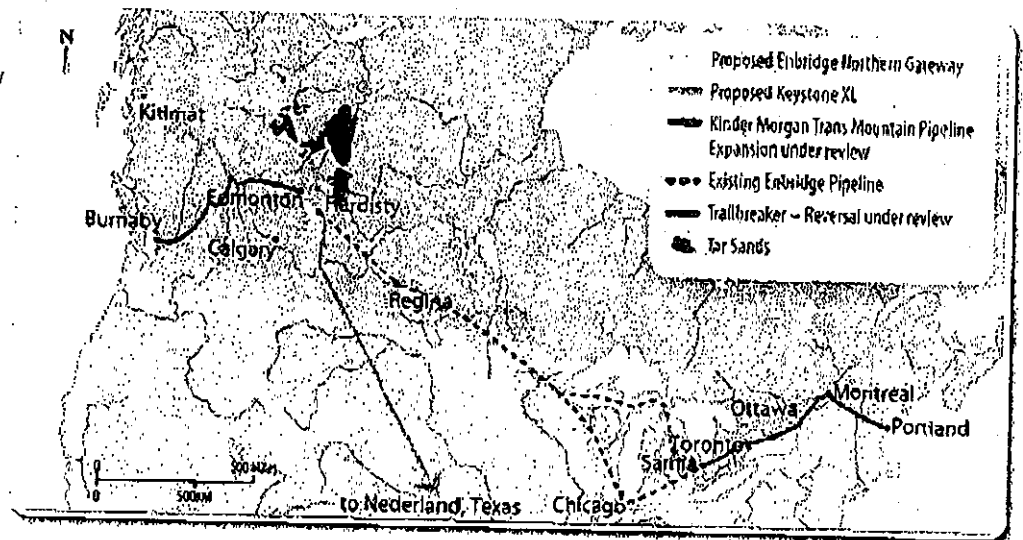
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Trying to Expand the Tar Sands Market: Keystone XL, Trailbreaker and Northern Gateway

"It is unclear at this point how sustained the actions of these environmental groups will be going forward here in DC. It might be that their actions were a one-off... However, it seems more the case that [they] are gearing up for a sustained campaign."

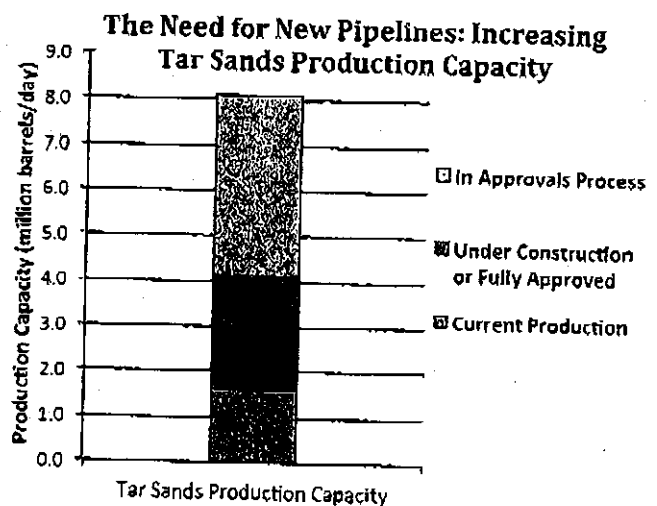
- Canadian official in April of 2006 following presentations in Washington D.C. by the Pembina Institute and the NRDC¹⁰³

In order to expand tar sands production as the industry plans, there is a need for new pipelines to carry tar sands out of Alberta. Alberta's former Energy Minister and current Finance Minister, Ron Leipert commented that, "[i]f there was something that kept me up at night, it would be the fear that before too long we're going to be landlocked in bitumen"¹⁰⁴.



Alberta currently has about 1.6 million barrels per day worth of output from the tar sands. There are, however, projects under construction or with all the necessary permits required to expand this to 4.1 million barrels per day, while an additional 4 million barrels per day are at various stages of the approvals process.¹⁰⁵

To accommodate this rapidly rising output, there are currently three major pipelines under discussion to ship tar sands oil east, west and south: the Enbridge Northern Gateway, Enbridge Trailbreaker, and the Keystone XL respectively.



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Keystone XL Tar Sands Pipeline

Transcanada's proposed Keystone XL pipeline would transport diluted bitumen along a 2,673-kilometres route from the tar sands to Texas refineries from where it could be exported overseas. If constructed, it would have the capacity to transport 830,000 barrels of oil per day, which represents over half of all current output from the tar sands.

It was seen as crucial to enabling the expansion of the tar sands and as the battle over the Keystone XL heated up in June 2011, Alberta's then-Energy Minister Liepert warned an industry-sponsored conference that "If we don't get moving on these [pipeline] projects, our greatest risk in Alberta is that by 2020 we will be landlocked in bitumen."¹⁰⁶

To ensure its construction, the Canadian and Albertan governments invested years in aggressive behind the scenes and public lobbying, including a half page advertisement in the Washington Post (at a cost of \$55,800 to the taxpayers) as well as billboard space in Times Square from the Premier of Alberta with a headline reading, "a good neighbour lends you a cup of sugar. A great neighbour supplies you with 1.4 million barrels of oil per day"¹⁰⁷. Despite these efforts, it was the public that rose to challenge powerful industry and government's lobby.

"We don't have the money to compete with those corporations, but we do have our bodies, and beginning in mid August many of us will use them. We will, each day through Labor Day, march on the White House, risking arrest with our trespass. We will do it in dignified fashion, demonstrating that in this case we are the conservatives, and that our foes—who would change the composition of the atmosphere are dangerous radicals. Come dressed as if for a business meeting—this is, in fact, serious business. We very much still want to believe in the promise of that young Senator who told us that with his election the rise of the oceans would begin to slow and the planet start to heal. We don't understand what combination of bureaucratic obstinacy and insider dealing has derailed those efforts, but we remember his request that his supporters continue on after the election to pressure the government for change. We'll do what we can."

*- Call to action from leading activists from across North America*¹⁰⁸

In response to the resulting pressure from an unprecedented campaign by environmentalists and affected communities, the US State Department announced in November 2011 that additional review was needed to study a re-routing around the Nebraska Sandhills.

Pipeline proponents in Congress then attached a provision to a tax relief bill forcing President Obama to make a decision on the project within 60 days. In January 2012, President Obama rejected Transcanada's application for the Keystone XL tar sands pipeline as not in the national interest given insufficient time to complete the review process.

Prime Minister Harper "expressed his profound disappointment with the news"¹⁰⁹ that Keystone XL was delayed. The emphasis of the Canadian government then shifted to the quest for new markets for tar sands oil.



Dirty Oil Diplomacy: The Canadian Government's Global Push to Sell the Tar Sands.

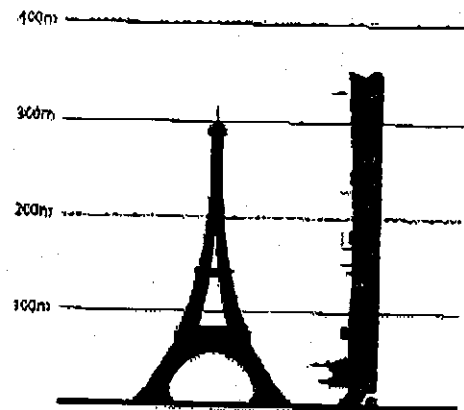
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Enbridge Northern Gateway Tar Sands Pipeline and Super Tanker Project

Enbridge's proposed Northern Gateway tar sands pipeline and tanker project has become a flashpoint in Canadian energy discussions particularly following the rejection of the Keystone XL tar sands pipeline. This proposed 1,172-kilometre pipeline and tanker project is designed to carry 525,000 barrels a day of diluted bitumen from a terminal near Edmonton and across the Rockies to Kitimat on the northern B.C. coast, where about 200 supertankers annually would dock to take on the petroleum for export to the U.S. and Asia.

The project faces massive opposition from First Nations along the route, environmental groups, and workers in the fisheries and other resource industries dependant on clean water. But the federal and Alberta governments, along with the oil industry have indicated that they are willing to turn Enbridge's proposed pipeline into "the fiercest environmental standoff ever seen in Canada"¹¹⁰ in order to break into a new market: China.

Enbridge Northern Gateway Project: Oil Super Tanker Size in Perspective



The Northern Gateway project would mean oil tankers as large as 350m in British Columbia's inner coastal waters.

11/15/12

New pipelines were front-and-centre when Prime Minister Stephen Harper went to China in February 2012 and pledged to push Enbridge's Northern Gateway pipeline through as a "national priority"¹¹¹.

The idea of a pipeline to access the Chinese market as a quid-pro-quo for Chinese investment in the tar sands was highlighted by Alberta's Ron Liepert when he told Bloomberg News that "If we don't soon figure out how to get the product to Asia, the investment is going to dry up. The Chinese want to see things happen. If we want to continue to be open to Asian investment, there comes a quid pro quo in their mind and that's coming up fast.... Clearly we need to diversify. If we get to where we'll be in 10 years, we're going to need several Keystones and Gateways"¹¹².

Much of this talk may well be posturing for strategic advantage. Oil industry lobbyists¹¹³ and financiers¹¹⁴ have suggested that highlighting the possibility of access the Chinese market can provide leverage against climate change policy measures in the United States that would affect the tar sands. In the words of one former Canadian diplomat now working as a lobbyist: "It's time for Canada to play the energy card and announce the fast-tracking of a new pipeline to the Pacific, and to encourage Asian investment in our oil patch. The Americans, especially those charged with national security, will get the message"¹¹⁵.

The reality is that the Chinese market cannot be accessed easily or quickly. There are questions as to whether China has the specialized refining capacity required to turn the bitumen into fuel¹¹⁶. And there is powerful

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Opposition to all pipelines to the coast from First Nations in British Columbia and their rights, as enshrined in the Canadian constitution, will almost surely result in court cases that could take many years to resolve.

Opposition to the pipeline is rooted in the impacts of spills from the pipeline or the tankers that would carry the oil. Enbridge's proposed pipeline would cross hundreds of rivers and streams and pass through the Great Bear Rainforest - a region of intact forest renowned globally for its salmon, wolves, bears and other wildlife. Spills would also pose an economic threat to the livelihoods of tens of thousands of British Columbians who earn their living from the sea.

Enbridge Trailbreaker Pipeline

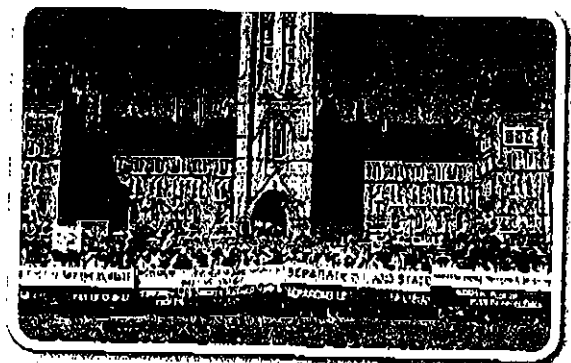
One of the less known pipeline projects currently under review is a project that would reverse the flow of an existing pipeline that currently flows westwards from refineries in Montreal, Quebec to Sarnia, Ontario. The proposal is to change the direction of flow to bring tar sands oil west to east. First tabled in 2008 by Enbridge, the original project would have seen about a quarter of a million barrels of tar sands oil per day shipped from Alberta to Montreal where some of the bitumen would have been refined. The project would have also allowed for some of the bitumen to continue to Portland, Maine where it would have been shipped by tankers around the world.



Spirit Bear of the Great Bear Rain Forest along the proposed route of the Enbridge Northern Tar Sands Pipeline. Source: Living Oceans Society

The recession forced Enbridge to temporarily shelve the project in early 2009. In 2011, Enbridge reapplied, but with an application for only a sub-section of the pipeline¹⁷. This approach was criticized by environmental groups as an attempt to undermine the ability of the National Energy Board to do review on what was ultimately a piece of a much larger pipeline project¹⁸. Different dimensions of this project have been in front of Quebec courts for almost three years and public hearings in the Ontario portion of the project will begin in September¹⁹.

Citizens in the United States are concerned because it is believed that Enbridge's application in Canada is an effort to revive the entire Trailbreaker project which goes through New Hampshire, Maine, and Vermont. Americans are now more concerned about tar sands pipelines because of the increased risk of spills to local communities, waterways, and important ecological areas. The high carbon emissions from tar sands are also thought to be incompatible with efforts in these states to reduce greenhouse gas emissions.



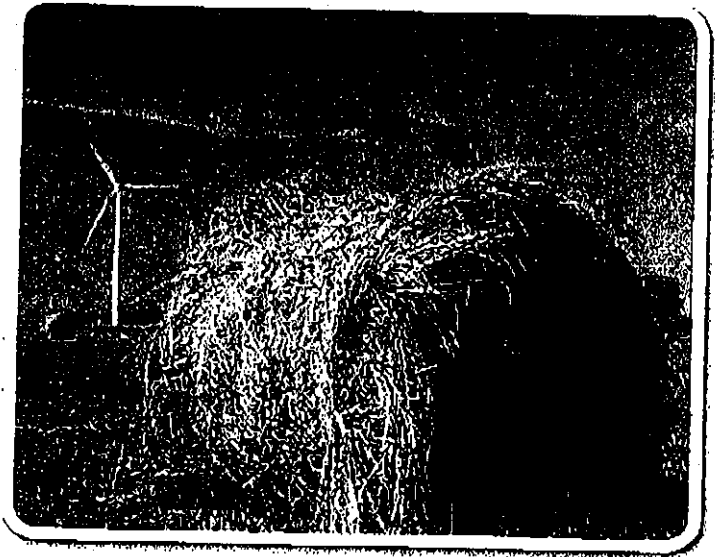
Citizens and First Nations rally on Parliament Hill in opposition of the Keystone XL Tar Sands pipeline on September 26, 2011. Source: Ben Pawless



The 'Rest of Canada'

Canadians support action on climate change, and the reality is that the vast majority of Canadians live in provinces with more ambitious climate change policies than the federal government¹²⁰. In the absence of federal leadership, provinces and municipalities have forged ahead, refusing to be left behind in the global race towards a cleaner energy future.

The province of Quebec has committed to, and is on track, to meet targets similar to Kyoto and has put in place North America's first carbon tax¹²¹. British Columbia has also implemented a carbon tax as well as a relatively aggressive plan to reduce their emissions and, along with Quebec, adopted California's vehicle emission standards¹²². Ontario has just adopted the Green Energy Act, one of the most ambitious pieces of legislation on the continent to encourage clean energy development¹²³. Ontario has also committed to phasing out all coal-fired electricity plants by 2015, while other provinces such as Nova Scotia are also moving towards an end to coal. Even the province of Alberta has a modest price on carbon¹²⁴.



Quebec has been a leader in the Western Climate Initiative and will likely be followed by Ontario and Manitoba while eastern provinces are engaging in the Regional Greenhouse Gas Initiative along with New England states¹²⁵. The City of Vancouver has a plan to reduce their emissions by 80% by 2050 (based on 1990 levels)¹²⁶.

There are challenges for provinces that have decided to show leadership. Federal failure to support clean energy in Ontario while continuing to subsidize tar sands in Alberta creates difficult conditions for green energy development¹²⁷. The federal government has tied the Canadian economy to the tar sands such that that Canada is developing "Dutch disease", whereby the Canadian dollar rises with the price of oil, eliminating manufacturing jobs in Ontario and Quebec as the strong Canadian dollar makes their exports more expensive internationally and which are thus priced out of international markets¹²⁸.

Not only do Canadians want action on climate change, but they are also increasingly understanding the unsustainable nature of the tar sands developments and realizing that the debate is bringing out the worst in the government. Recent polling has shown that Canadians feel strongly that the tar sands are having a negative impact on Canada's international reputation and that they would prioritize minimizing the environmental impact of the tar sands¹²⁹.

Conclusion

"There's a general impression that Canada is not very engaged in the world anymore... in the end, it's not your position, it's how you behave. Influence is an asset and we've run it down."

- Retired Canadian Diplomat, Jeremy Kinsman, who served as Canada's ambassador or high commissioner to 15 countries, December 2009¹³⁰

The Canadian Government's failure to regulate the tar sands industry, combined with its diplomatic and public relations offensive to promote the tar sands defies science and the good faith efforts of other countries to tackle global warming. After more than six years of promising climate action without following through, Canada's environmental credibility is in tatters. The Canadian Government's joint efforts with the Government of Alberta to undermine and weaken climate and clean energy policy abroad must be seen as little more than an extension of industry lobbying.

The atmosphere does not adhere to political borders. Currently the tar sands are responsible for global emissions similar to those of the entire country of Switzerland, and they are projected to double over the coming eight years. The consequences of unfettered development of carbon intensive fossil fuels like tar sands would move the climate from crises to catastrophe. As countries move to invest in clean energy and take steps towards getting off of fossil fuels all together, it is clear that part of the equation to protect our shared climate must ensure pressure and accountability for others to do the same. This is especially the case for developed countries like Canada that have significant historical responsibility for the problem, and have the capacity and resources to act first and fastest in order to fix it.

It should be clear to the Canadian Government that any quick fixes to what it perceives to be the problems with the tar sands that may be achieved through public relations efforts and diplomatic pressure cannot make up for the fact that the projected plan for tar sands growth is consistent with the International Energy Agency's pathway towards 4-6 degrees Celsius of global warming.

Meanwhile, Canadian provinces, municipalities, First Nations, and citizens are working towards better outcomes for our common climate, showing that the Canadian core value of fairness is still alive and well within the country. There is therefore hope that Canada will once again be an environmental leader on the world stage.



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APPENDIX "B"



SIERRA CLUB CANADA

Monday, October 15, 2012

Alderon Iron Ore Corp.
Daniel Williams, Q.C.

Dear Sirs:

Re: Defamatory Statements on VOCM – St. John's

On behalf of Sierra Club Canada, we write to unreservedly apologize for and fully retract the statements made by Bruno Marcocchio on VOCM – St. John's on April 3, 2012 relating to Alderon Iron Ore Corp ("Alderon") and former Premier Daniel Williams, Q.C.

Sierra Club Canada and Mr. Marcocchio deeply regret, retract, and apologize for all statements that may have damaged the reputation of Alderon and Mr. Williams in the eyes of the public.

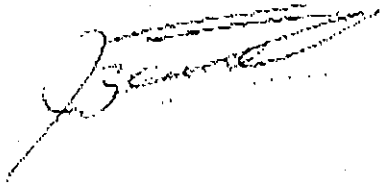
In particular, Sierra Club Canada and Mr. Marcocchio unreservedly apologize for and retract all comments made by Mr. Marcocchio that suggested or implied the following:

- That the Government of Newfoundland and Labrador "knowingly" entered into a bad deal because of the "appointment of ... former Premier Williams to the Board of Alderon";
- That "Alderon and other friends of Newfoundland and Labrador" have arranged funding for the Muskrat Falls Project in an "unconventional method that includes a royalty trust";
- That "the Board of Alderon, including your former Premier, will be getting money off the top of [the Muskrat Falls Project]". Neither Sierra Club of Canada nor Mr. Marcocchio were attempting to suggest that an illegal arrangement was in place. Mr. Marcocchio's comments were attempting to describe the mechanics of a royalty trust, that is, the holder of a royalty trust is entitled to a proportion of gross revenues for the life of the project; and
- That Alderon and Mr. Williams are "a bunch of corporate psychopaths... who stand to make millions by pulling this deal off."

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To be clear, neither Sierra Club Canada nor Mr. Marcocchio have any reason to believe that Alderon or Mr. Williams are connected to the financing of the Muskrat Falls Project or stand to profit from it in any way, shape or form. Sierra Club Canada and Mr. Marcocchio unreservedly apologize for and retract any and all statements, innuendoes and suggestions to the contrary.

Sincerely,



John Bennett
Executive Director



Bruno Marcocchio
Volunteer