TAR SANDS CAMPAIGN STRATEGY 2.1

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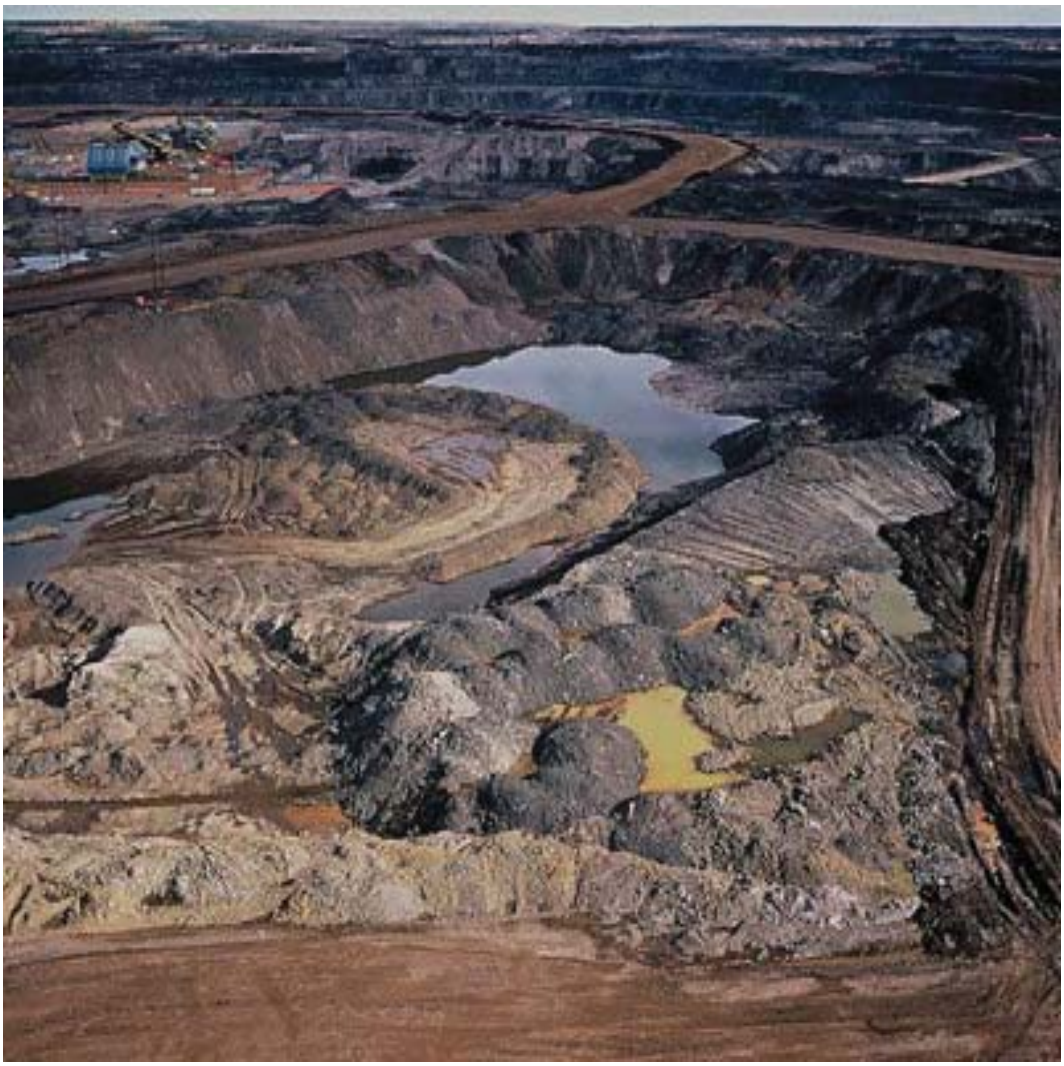

This document is confidential. It is a working document that will be continually updated as we refine our goals and strategy through the course of the next two months with industry and market research and in meetings with key constituencies and experts.

TAR SANDS CAMPAIGN STRATEGY 2.1

I. THE PROBLEM

We stand at a crossroads. The path we choose may well determine the fate of the earth. To the right, the path leads to a dirtier fuel future of coal-fired power plants, liquid coal, tar sands and oil shale, with certain catastrophic global warming. To the left, the path leads to internalized carbon costs through cap and trade, clean technologies, and energy conservation with the hope of eventually returning our atmosphere to normalcy.

We have a vibrant national coal campaign with a large number of advocacy organizations and foundations mobilized to challenge this industry and its future. What we lack is a comparable transportation fuels campaign to address the challenges posed by this industry. Transportation contributes 25% of the annual global emissions, and the U.S. is responsible for 25% of that total. While non-conventional fuels, like tar sands oil from Canada, are a small percentage of the U.S. annual fuel consumption today, the percentage is projected to rise dramatically as other sources of conventional fuels decline or become more costly. *Stopping the flow of tar sands oil now, as well as other non-conventional fossil fuels, is critical if we are to force government and industry to pursue a clean and sustainable energy future.*

Why a campaign on tar sands oil? Tar sands oil has been described as the "tip of the non-conventional fuels iceberg."[1] This iceberg includes oil shale, liquid coal, ultra-heavy oils, and ultra-deep off-shore deposits. Extraction of these "bottom of the barrel fuels" is energy intensive, emits much higher greenhouse gases, and poses grave risks to air, water, land, and wildlife while placing severe pressure on the health and infrastructure of communities.[2] Worst of all, at a time when we should be turning away from fossil fuels, governments and oil companies are greedily pursuing these highly profitable, but very dirty fuels. In the process, they are de facto aborting their commitments to 80% reductions in emissions by 2050.

Tar sands oil, for example, is perhaps the dirtiest, most energy intensive of all fossil fuels. Production of tar sands oil generates three to four times the amount of carbon emissions of regular crude oil. It requires at least four barrels of water for every barrel of oil. The resulting huge tailings ponds, projected to grow to over 140 square kilometers, are held back by an earthen dam, which if breached would devastate the Athabasca River and Athabasca Lake eventually poisoning the MacKenzie River Delta and Arctic Ocean. Even without a breach, it is believed that leaching effluent from the dam is poisoning fish, causing genetic mutations in aquatic species, and producing unusual forms of cancer in downstream Aboriginal communities. An area the size of Florida has been designated a "sacrifice zone" for tar sands development.

[1] "Driving It Home: Choosing the Right Path for Fueling North America's Transportation Future," NRDC, Pembina Institute, and Western Resources Advocates, June 2007.

[2] Ibid, "Driving It Home…," June 2007.

Despite the fact that the increased greenhouse gas (GHG) emissions associated with the development of the tar sands is the principal reason that Canada will not meet its Kyoto reduction commitments domestically, development is proposed to increase four to five fold, with a projected contribution of 41-47% of the business-as-usual growth of Canada's total annual emissions by 2010.[3] Canada's GHG emissions are projected to increase at a rate of 1.5% annually through 2010 to a total of 828 megatons of CO2, so instead of actually reducing emissions below 1990 levels, Canada's emissions levels will be almost 35% higher than 1990 levels,[4] largely due to tar sands oil production and all to feed the U.S.'s oil addiction.

Under the guise of "energy independence," tar sands oil development threatens to lock us into a high carbon future, and threatens to derail all hope of staving off a catastrophic global warming cycle. It delays the urgently needed transition to alternative clean energy sources. *Tar sands, along with coal-fired power plants, is the poster child for dirty fuels* and provides the activist community with one of the most effective hooks for mounting an integrated North American campaign to educate the public on the destructive impact of our oil addiction. It also provides a vehicle for growing the clean energy movement in North America by bringing more communities, grassroots, and corporations into this effort.

II. THEORY OF CHANGE

Our goal is to mitigate the harms associated with existing tar sands production, achieve a moratorium on new tar sands operations, and use this issue to speed the enactment of U.S. and Canadian federal energy legislation that pre-empts the demand for future tar sands oil and insures we meet and exceed the IPCC carbon targets for 2050.

The question is, "How in the face of nearly unlimited gas and oil industry money can we ever hope to stop tar sands production?" We are confident that this can be accomplished through the strategy outlined below. Even in the nascent stages of this campaign, we have seen the power of raising the visibility of tar sands negatives, educating the public, and legal challenges. What give us additional optimism is the following:

- The potential to break the chain for delivery of vital inputs to tar sands operations
- The legal potential to block vital links in the tar sands oil delivery infrastructure
- The potential costs to the industry associated with mitigation and legal fights
- The fact that Barack Obama, the potential next President, has criticized tar sands oil
- The growing potential for national carbon legislation that pre-empts tar sands oil

[3] Pembina Institute. The *Climate Implications of Canada's Oil sands Development: Backgrounder,* November 2005. Online at: http://www.pembina.org/publications_item.asp?id=213

[4] Canadian Government Submission to the UN Framework Convention on Climate Change, National Inventory Report, 1900-2004, *Greenhouse Gas Sources and Sinks in Canada*, April 2006.

Our theory of change is to constrain the growth of tar sands production by increasing the perception of financial risks by potential investors and by choking off the necessary infrastructure (inputs and outputs) of the tar sands. We will accomplish this by raising the visibility of the negatives associated with tar sands; initiating legal challenges in order to force government and corporate decision-makers to take steps that raise the costs of production and block delivery infrastructure; and by generating support for federal and state legislation that pre-empts future demand for tar sands oil.

Raising the negatives: U.S. and Canadian government officials and oil industry spokespersons have aggressively promoted tar sands as the solution for "energy security and independence." Only in the last year have advocacy groups begun to raise the visibility of tar sands' negative features, but they are catching up quickly. And as they do, government and industry are responding by increasing their public relations effort,[5] the appearance of greater regulation,[6] and the appearance of environmental remediation.[7] In short, government and industry are cognizant of their need for social license and they recognize that it is at risk on this project.

There are a number of ways to raise the negatives that this campaign will pursue. ***Research*** is being conducted on the huge volumes of water consumed, poisoned, and released into waterways. ***Reports*** are being released on the divergence between public opinion and government policy as well as the health and environmental impacts.[8] ***Direct Actions*** are being conducted to draw media attention to government's complicity on environmental issues.[9] ***Celebrity spokespersons***, like Leonardo DiCaprio, are being recruited to lend their "brand" to opponents of tar sands. ***Feature stories*** in high visibility media will also be critical for telling the negative story. Generating a high negative media profile for tar sands oil is a critical part of the change strategy.

Raise the costs of doing business. With oil selling for nearly $120/barrel and costs of producing it from tar sands approximately $50/barrel, there is a strong incentive to exploit this resource. However, several energy companies have already chosen not to pursue this resource because of the high costs and uncertainties.[10] We must raise the actual or perceived costs to create greater uncertainty about tar sands' future. There are a number of ways to do this. ***Public relations*** costs increase as companies and government counter their opponents. ***Infrastructure*** costs increase

[5] Alberta's Premier recently announced a $25 million public relations campaign to combat the negative public relations being generated by environmental groups in Canada and the U.S.

[6] The Canadian Ministry of Environment recently announced requirements that they claim would force tar sands companies to significantly reduce their carbon emissions, but in fact, do little to accomplish this objective.

[7] Suncorp recently announced completion of a remediation project covering 140 acres that took 10 years to accomplish. Their announcement seemed to be timed to counter growing criticism of their environmental impacts.

[8] Pembina Institute's report on public opinions. EDC's report on the toxic impacts.

[9] Greenpeace Canada recently gained national news dropping a banner at the Premier's speech saying "Premier Stelmach: The best Premier Money Can Buy."

[10] Eni Corporation, Italy's largest energy corporation, is an example of a company that chose to withdraw plans to enter the tar sands arena for these very reasons.

as companies are required to incorporate environmental protections through carbon capture and sequestration. ***Remediation*** costs increase if companies are required to immediately "restore" the environment. ***Capital costs*** increase as uncertainties about government regulation, infrastructure build-out, and demand arise.

There are other "costs" of doing business in the tar sands that can be raised. One of these is "reputation costs." Companies like British Petroleum, Conoco-Philips, and Shell have demonstrated in the past some sensitivity to their brand image. They are vulnerable because of these efforts and will likely be singled out for specific campaigns in their home countries.

Slow down infra-structure expansion: Tar sands oil can only be produced if it receives critical resource inputs and can be distributed through critical infrastructure. There are a number of ***critical inputs*** necessary to sustain large scale tar sands development. Water is needed in very large volumes, but is vulnerable to legal challenges. Cheap natural gas is needed for extraction, but requires pipelines that do not exist. Chemical diluent is needed to make tar sand oil transportable by pipeline, but also requires pipelines that some First Nations' oppose.[11] Additionally, First Nations may have a strong legal case that could slow production down based on the need to consult them.

There are a number of ***critical outputs*** needed to deliver tar sands oil to the market. It is essential to delay or block approval of pipelines that can deliver the oil to customer refineries in the U.S. and Asia. The proposed Enbridge pipeline must cross two dozen First Nation territories and is very likely to be blocked, and certainly delayed. The Keystone pipeline in the U.S. is being fast-tracked under the Bush Administration, but must cross several states and jurisdictions where challenges will be made. New and expanded refineries must also be approved by referenda, or elected officials, and as a result, they too are vulnerable to political and legal delays.

Enroll key decision makers while isolating opponents: We will not make the decisions to slow and clean up the tar sands – those in positions of authority will, and in the tar sands context they are diverse. Both the Alberta and the Canadian federal governments have direct regulatory authority over tar sands operations, while other provinces, U.S. states, and the U.S. federal government have various powers over the flow of tar sands oil. Industry and First Nations are also decision makers.

We will win this campaign when we recruit a critical mass of these decision makers to agree to slow down, cut-back, and eventually stop the flow of tar sands oil altogether. There is a growing mainstream consensus in Canada for much stronger climate laws. This may be articulated in Canada as a "tar sands reform agenda," but in the U.S. it needs to be clearly articulated as a "tar sands termination agenda." The Alberta Government, which is likely to resist any changes that significantly limit tar sands development, in all likelihood must be pressured to change and ultimately isolated from the emerging mainstream consensus through this campaign.

[11] Scott Highleyman, Wildhavens, "Towards a Western Canada Conservation Strategy: How Tar Sands Growth Requires Integration of Energy, Wilderness Protection, and Climate Change Strategies," February 2, 2006.

III. THE GOALS OF THIS CAMPAIGN

Our goal is to mitigate the harms associated with existing tar sands production, achieve a moratorium on new tar sands operations, and use this issue to speed the enactment of U.S. and Canadian federal energy legislation that pre-empts the demand for future tar sands oil and insures we meet and exceed the International Panel on Climate Change carbon targets for 2050.

The ***long-term goal of this campaign*** is to accelerate the shift in Canada and the U.S. towards clean energy and lower energy consumption. We believe this can be achieved through a combination of cap and trade legislation to internalize carbon costs, carbon taxes, large government investments in clean energy technology development, incentives for energy conservation, and rapid deceleration of deforestation. With regards to tar sands specifically, our long-term goal is to stop the production of this fuel.

While the tar sands campaign is seen as an important end in itself, it is also an excellent vehicle for realizing the ultimate goal of a new energy paradigm. Tar sands destruction, along with mountaintop removal for coal, is the perfect North American poster children to illustrate the destructive impact of our addiction to fossil fuels. It also makes very explicit the choice we must make--to lock in a fossil fuel future or begin now to shift to clean alternatives. As such this campaign has much larger strategic implications for the entire global warming effort.

The ***mid-term goal of this campaign*** is to stop the expansion of tar sands production and achieve a moratorium. This would entail denying new permits, and requiring carbon capture and storage, closed loop water usage, pollution abatement and immediate remediation on existing operations. We believe a well coordinated and financed campaign can achieve this within three years.

The ***short-term goal of this campaign*** is to create uncertainty with regard to the costs and future demand for tar sands oil and to change the terms of the debate from "energy independence and security" to a "healthy and prosperous energy future," or to a "clean, cheap and reliable energy future." Tar sands operations, like clear-cuts, oil spills and fish kills, crystallizes in graphic terms the choice we face and the preferred decision. In Canada we need to penetrate with the message that the tar sands is holding Canadians hostage in their desire to tackle global warming – which consistently polls as one of the highest national concerns. To achieve the short-term goal, we need to generate a great deal of media attention on the shortcomings and risks associated with tar sands oil development and consumption.

IV. THE TAR SANDS CAMPAIGN STRATEGY

There are five strategic tracks that seem to hold the greatest potential to achieve our immediate goals of changing the terms of the debate and achieving a slow down and eventual moratorium on new tar sands development. Each of them is seen as a vehicle for generating media and recasting the terms of the tar sands debate. They are:

- Stop or limit the expansion of pipelines, up-graders and refineries
- Force tar sands water, toxics, and land reforms
- Significantly reduce the future demand for tar sands oil
- Leverage the tar sands debate to achieve the adoption of strong national carbon policy victories in the U.S. and Canada
- Generate unity around the liquid fuels endgame and sell it

A. Stop or limit the expansion of pipelines, up-graders and refineries

Overview: Tar sands companies need pipelines across Canada to bring them cheap natural gas and diluent, as well as to ship the resultant oil to the west coast for transport to Asia and California. They also need pipelines across the U.S. and Canada to transport their oil to refineries specially equipped to process the thicker product. In Canada the pipeline would cross Alberta and British Columbia to Kitimat where the oil could be shipped to California or Asia. In the U.S. the Keystone pipelines would cross dozens of states including Montana, Wyoming, Utah, North and South Dakota, Nebraska, Colorado, Oklahoma, Texas, Minnesota, Wisconsin, and Iowa.

Objectives: Delay or block the expansion or development of key pipelines and refineries so that the tar sands industry and Alberta and Canadian governments realize that they must negotiate a moratorium on new tar sands operations. In Canada, First Nations have the power to challenge the Enbridge pipeline across British Columbia (BC) and the MacKenzie pipeline on the grounds of Aboriginal rights and land claims. In the U.S., local governments (counties and municipalities) have the power to make land use decisions. Various state agencies, such as Departments of Environmental Quality, Fish and Wildlife, and Public Utilities Commissions must approve required permits. At the federal level, the State Department, Army Corps of Engineers, and Environmental Protection Agency may also be involved.

Strategy in Brief: There are a number of ways to stop infrastructure expansions. In Canada, First Nations can challenge the construction of pipelines across their traditional territories and prevent pipelines from crossing their reserves. The proposed pipelines must cross dozens of First Nation territories. In U.S. and Canada, grassroots opposition in jurisdictions where refineries are being proposed can sway elected officials. Scientific research documenting potential violations or risks of air and water quality, threats to critical habitats, or incursions on culturally sensitive lands will be critical. When all else fails, legal challenges to environmental impact statements and violations of local, state, or federal laws have shown their potential already through recent challenges (for example, in Canada the Kearl decision, and in Indiana, the BP Whiting decision evidence their potential for success).

Targets: The most likely government targets are those with decision authority over tar sands infrastructure in Canada. First Nations and other persons directly affected by proposed pipelines and refineries have potential influence on the Alberta Energy Resources Conservation Board and Alberta

Environment. Within the federal arena, there is the potential to influence required approvals by various agencies including the National Energy Board, the Department of Fisheries and Oceans, and the Department of Transport.

B. Force tar sands water, toxics, and land reforms

Overview: Tar sands operations require incredible amounts of water, emit incredible amounts of toxins into the air and into massive tailings ponds, and eat up incredible amounts of land thereby having an impact on wildlife and fish. They are incredibly water intensive, requiring about two to four barrels of water for every one barrel of oil they produce. There is not enough fresh water in the Athabasca and North Saskatchewan Rivers to supply the proposed tar sands operations without causing risk of long-term ecological damage.[12] In fact, several studies and government agencies have warned that Canadians face an imminent water shortage.[13] According to a recent insider report, even Premier Stelmach of Alberta is concerned about a water shortage, but is more concerned about relations with the all-powerful oil industry. This insider also indicated that water and public health are hot button issues.

The recent death of 500 ducks on a tailings pond showed how wildlife issues can create a mini-crisis for the industry. These more 'traditional' environmental issues resonate inside Alberta. Tar sands pose other more serious environmental threats. Tar sands operators are creating increasingly vast toxic tailings ponds with no proven reclamation processes despite forty years of research. These ponds have the potential to create the largest environmental disaster in western Canadian history if one of the earthen dikes adjacent to the Athabasca River fails.

Objectives: Our objectives are to produce good independent science outlining the problems; achieve legal precedents for Aboriginal and non-Aboriginal litigants that are relevant for blocking tar sands expansion and forcing remediation; intervene aggressively in permitting processes. We also seek to maintain a steady drumbeat of media about problems and solutions; obtain the first court decision recognizing First Nations' water rights; obtain a court decision affirming the Government of Alberta's duty to consult with First Nations prior to granting oil sands rights to industry; achieve denial or reduction of new water permits for tar sands operators by Alberta Environment; obtain a court decision challenging Alberta Environment's delegation of regulatory control to the non-governmental and industry-dominated Cumulative Environmental Management Association; obtain a Canadian federal court ruling affirming a violation of the Fisheries Act; undertake a successful private prosecution of Syncrude for the death of 500 ducks on their tailings pond; achieve a Supreme Court decision recognizing the rights of Northwest Territories to undiminished water flow; achieve changes to regulatory frameworks governing tar sands operations including more stringent reclamation standards and achieve large landscape conservation gains.

Strategy in Brief: The strategy is to use scientific studies, permitting and consultation processes, and Aboriginal and non-Aboriginal legal challenges to both drive the debate inside and outside Alberta about the impacts of the industry – and thereby to de-legitimize the status quo – and to force the adoption of more stringent water, toxics and land protections. Outcomes may include closed loop water systems, "dry" tailings methods, and significant land set-asides for conservation. The

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[12] Andrew Nikiforuk, Global and Mail Update, "Could the oil sands, Canada's greatest economic project, come undone simply because no one thought about water?" March 28, 2008.

[13] John Austin, Special to the Globe and Mail, "Canada, don't take fresh water for granted," April 27, 2008.

debate about the issues will show Albertans that the system is broken and weaken the ability of the Alberta Government to rally the flag by invoking the ghosts of the Canadian National Energy Policy.

Once these reforms are adopted the cost of doing business in the tar sands will be raised, thereby making tar sands exploitation less economically attractive. We need to document the inadequate supply of water for these operations and to use this to support legal challenges which could result in legal decisions that slow down tar sands development. First Nations may have water rights that are being violated and a potentially strong case. The Northwest Territories are already monitoring draw downs of water from the Athabasca River in anticipation of a legal challenge to defend their right to undiminished water flow. Additionally, the Canadian Fisheries Act requires adequate flows to sustain fisheries and this too provides grounds for legal challenge. Legal decisions could not only slow issuance of new permits, but ultimately force closed loop water systems or large water storage facilities, which raise the costs of operations.

Targets: The strategy is to bring multiple actions in Canadian provincial and federal courts in order to obtain injunctions and decisions that will put companies and investors on notice that a critical input may be at risk. Decisions in the provincial and federal courts could ultimately lead to precedent setting challenges at the Supreme Court of Canada. Similarly, sound scientific evidence will provide grounds for the denial of necessary permits from the Alberta Energy Resources Conservation Board, the Alberta Utilities Commission, Alberta Environment, the federal Department of Fisheries and Oceans and the federal Department of Transport, and failing this, support legal actions to force these denials. Communications targets include the Alberta public and beyond.

C. Significantly reduce the future demand for tar sands oil

Overview: Over 65% of tar sands oil is exported to the U.S. where it is refined and converted to fuel, largely for transportation. Much of the rest is shipped to other Canadian provinces. The customers for this fuel include state, provincial and municipal government agencies and fleets, corporate and institutional fleets. Tar sands fuel may be blended with other fuels at some refineries, making it difficult to track. Legislation has been introduced at the national, provincial and state levels that, if adopted more widely, would potentially limit the demand for tar sands oil in the future. At the U.S. federal level, section 526 of the Energy Bill prohibited federal agencies from purchasing non-conventional fuels with greater carbon emissions than conventional fuel. Subsequent federal legislation weakened this provision, but it is still subject to interpretation by a new administration. At the state and provincial level, California, BC, and Ontario have introduced Low Carbon Fuel Standards (LCFS). This legislation applies a uniform standard to all refiners, producers and importers of fuel The LCFS requires fuel providers (defined as refiners, importers, and blenders of motor fuels) to decrease the average carbon content of their fuel mix by 10% by 2020.[14] Several other U.S. states are considering adopting similar legislation.

Objectives: Adoption of low carbon fuel standards in key Provinces and Midwestern states that exclude or penalize tar sands oil; adoption of tar sands procurement restrictions in key Midwestern sates; strict interpretation and enforcement of Section 526 of the federal Energy Bill; public proclamation by large fleet corporations and municipalities against further tar sands production and for LCFS; enhancing the market signal through the Alberta and Canadian media.

[14] NRDC, January 2008, "Low Carbon Fuel Standards and High Carbon Tar Sands Fuels," p. 1.

Strategy: This is not the standard markets strategy that seeks to gain contract cancellations. Instead, this aspect of the campaign targets large corporate, state, and federal fuel customers with the goal of converting them to advocates of legislation that penalizes and limits future tar sands demand. There are three aspects to this strategy which essentially entail sending a market signal that tar sands oil will be penalized for its high life-cycle carbon content. The first aspect is the adoption of legislation that a) requires a low carbon fuel standard for fuel providers that prohibits or penalizes consumption of tar sands oil and other high carbon fossil fuels, and b) requires all government agencies to avoid purchases of fuels that contain non-conventional fossil fuels that exceed existing levels of carbon for conventional fuels. The second aspect of this strategy is to convert large corporate, governmental, and institutional fuel customers into advocates for this legislation, and public opponents of tar sands fuel expansion. The third aspect of this strategy is to identify and advocate alternatives which would make tar sands fuel unnecessary. This is more challenging, but involves accelerating the rate of conversion to low or non-fossil fuel transportation alternatives.

All of these initiatives can be used to maintain a steady drumbeat of news in Alberta and Canada that major reform of the tar sands industry must take place and that there is a limited future for tar sands oil in the new energy paradigm. The recent Conference of Mayors resolution opposing the consumption of tar sands oil is important, as they represent large future tar sands oil customers. There are efforts underway with leading corporations with large truck fleets to take a similar stand. These public pronouncements by large government and corporate customers create loud media reverberation in Canada.

Targets: Congress and the administration are inevitable targets for the low carbon fuel standard and government agency procurement restrictions. The Environmental Protection Agency, Department of Transportation, Department of Defense and Federal Highway Safety Administration are federal agencies that would be instrumental in achieving this standard. Midwestern state assemblies, governors and analogous agencies would also be important targets as they would be the most likely regional consumers of tar sands fuels. Corporations with large fleets and high brand visibility are also targets (e.g., UPS, Fed Ex, Wal-Mart), but not if long protracted campaigns are required. Universities are also targets in part because they have fleets, but also because they are recruiting grounds for young activists who can be incorporated into the larger campaign.

D. Leverage the tar sands debate to achieve the adoption of strong national carbon policy victories in the U.S. and Canada

Overview: Tar sands oil production is the major reason that Canada will not achieve its Kyoto reduction commitments domestically. Both Conservative and Liberal former Prime Ministers are calling for much stronger climate laws[15] and public support for emissions reduction legislation is very high in Canada. As noted in the introduction to this paper, development is proposed to increase four to five fold, with a projected contribution of 41-47% of the business-as-usual growth of Canada's total annual emissions by 2010.[16] Canada's GHG emissions are projected to increase at a rate of 1.5% annually through 2010 to a total of 828 megatons of CO2-- making the country's emissions levels almost 35% higher than 1990 levels.[17] Moreover, the tar sands is

[15] www.powerupcanada.ca

[16] Pembina Institute. *The Climate Implications of Canada's Oil sands Development: Backgrounder,* November 2005. Online at: http://www.pembina.org/publications_item.asp?id=213

[17] Canadian Government Submission to the UN Framework Convention on Climate Change, National Inventory Report, 1900-2004, *Greenhouse Gas Sources and Sinks in Canada*, April 2006.

"holding Canada hostage" on climate legislation since the current intensity approach to reducing emissions per unit of production was designed to allow tar sands to grow. Tar sands oil is not on the radar of many NGOs, foundations, and researchers engaged in climate change campaigns or policy work. Yet if the tar sands are fully exploited as proposed, consumption of the known reserves would likely neutralize all gains from other climate change efforts in North America.

Objectives: Inclusion of tar sands restrictions, where appropriate, in all major legislative initiatives advanced by major NGO coalitions; inclusion of tar sands messaging, where appropriate, in large coalitions campaign messaging and campaign materials; inclusion of tar sands in national carbon legislation in the U.S. that can act as a template for follow on legislation in Canada.

Strategy: The NGOs involved in this campaign must define the terms of the debate, elevate the visibility of the debate, and broaden the allied constituencies engaged in this debate. This requires developing educational media (e.g., DVDs, pamphlets) and distributing them widely among relevant constituencies. It means utilizing well established earned media tactics to reach a broader public audience (e.g., high visibility direct actions, grassroots organizing, creative media demonstrations, alternative media viral efforts, celebrity spokespersons). It also means engaging in outreach to various networks of NGOs engaged in different aspects of climate change work to make sure their literature, demands, and policy recommendations cover tar sands (e.g., 1Sky, which like many NGOs focuses largely on coal). In the U.S., NGOs such as the state Public Interest Research Groups (PIRGs) and Sierra Club that engage in lobbying activities will be essential partners. In Canada, we need to focus on media framing and citizen engagement in relevant geographic areas such as Ontario and Quebec where support for climate laws is strong though as yet un-mobilized, and which have seen a downturn in manufacturing due in part to the impact of tar sands oil on the Canadian dollar. These are provinces that decision makers care about most. Finally, there is an opportunity to embarrass Canada on the climate front by conducting outreach on the tar sands in Europe whose diplomats are strong on international climate cooperation. Hooks exist to do this given the role of Shell and French oil giant Total in the tar sands.

Targets: The ultimate targets for this strategic track are the decision makers who make climate policy in Canada and the U.S. Intermediary targets, however, are largely policy, direct action, research, consulting, citizen engagement, and educational NGOs. Just as coal is the major threat to meeting carbon reductions by power generating utilities, tar sands oil is the major threat to meeting carbon reductions for transportation fuel. This needs to be recognized and incorporated into their work. Foundations are also targets of this effort as they need to make sure that efforts they fund integrate related issues. The highest priority targets are large climate change coalitions in North America to make sure they are promoting legislation that doesn't leave loopholes for tar sands oil.

E. **Generate unity around the transportation endgame and sell it**

Overview: The price of oil is hovering at $140/barrel. Oil companies are struggling to identify new sources to replenish their reserves, making tar sands increasingly valuable. The costs of producing tar sands oil are high, but the profit margin is still compelling. Investments in oil have shown the highest rates of return in recent years. Given America's addiction to oil, the high price of gas and Canada's reliance on the oil boom to drive its economy, those who oppose more oil development face strong headwinds. The questions that we will face soon are, "What is your alternative?" "What is the solution?" "Will it create jobs? "Lower transportation costs?" It is critical

that we work with NGOs that have already researched, developed, and in some instances are advocating an alternative fuel paradigm. We need to insure that NGOs working on tar sands and related fuel campaigns coalesce around the proposed solutions and make the case that it can make transportation affordable and create thousands of new jobs.

Objectives: Facilitate adoption of a consensus alternative fuels paradigm and plan by a critical mass of campaign organizations; identify a power map of key decision makers and a program to reach them; implement a consistent and persistent program to advocate for this alternative paradigm and plan.

Strategy: We need to be able to advocate an alternative fuel paradigm that is realistic, affordable, and environmentally and socially acceptable. The solution needs to be crafted in a manner that it can be framed persuasively when comparing it to the existing paradigm. It needs to have short-term, mid-term, and long-term transition components. There are a number of studies and reports on the future of transportation and how we phase out of our dependence on oil. We need groups like the Pembina Institute in Canada and Energy Foundation in the U.S. to pull together these proposals into a coherent framework and plan. We need to recognize that part of the solution may be behavioral (e.g., transitioning commuters from cars to car pools, buses, and mass transit), technological (carbon capture and sequestration, plug-in hybrid cars, natural gas vehicles, mass transit), and economic (zero emission buildings that free up natural gas for transportation, tapping domestic natural gas reserves to use for transportation). Once we reach agreement on the plan, we need to promote it aggressively throughout all aspects of the campaign. We need celebrity, scientific, government, and industry advocates and we need to make sure that this plan is part of all major state, provincial, and federal legislative initiatives around global warming.

Targets: Immediate targets include ourselves – key participants in this campaign including NGOs, First Nations, high donors and foundations. The main targets, though, are the key decision makers at the Canadian and U.S. federal governments, provincial and state governments, and in producer and consumer companies that will benefit most from our alternative paradigm. We must keep a special focus on the perceived principal decision makers in this mix – the Canadian and Alberta governments. While Alberta's government is likely to be the last holdout, the key is to limit its choices through the aforementioned strategic tracks.

Conclusion: We are forcing investors and oil companies to embrace a new energy paradigm

All of the aforementioned strategic tracks are designed to implement our theory of change. Where they converge is in raising the financial risks and uncertainty associated with continued tar sands development. This campaign, which will inevitably grow to include other non-conventional fuels currently being developed in the U.S. (e.g., oil shale, liquid coal, coal-bed methane) is in many ways the final "line in the sand" in our battle to end the dominance of oil companies over our energy future. Government, oil companies and investors must finally become convinced that the future is too uncertain to continue to bank on oil, and they must aggressively move to further the development of clean energy future.

If we can obtain legal injunctions blocking new development, force increased public relations, require pollution abatement and immediate remediation, delay and ultimately stop approvals of pipelines and new refineries, these all combine to raise costs…and uncertainties. If we can also achieve large forest carbon offsets in the form of protected areas previously scheduled for harvest in the boreal forest, this is a huge ancillary benefit of this campaign. But this too will raise the costs of

tar sands operations for the government through lost concession royalties. The combined effect is a rise in costs and uncertainties, which in turn, reduce the attractiveness of these projects for companies themselves, investors and financiers. Once we have begun to achieve successes, we need a credible independent analysis of the financial risks associated with tar sands and we need to target the financial community.

V. PROPOSED CAMPAIGN STRUCTURE

This is a large, complex campaign with a number of different entities: corporate, governmental, community, educational and non-governmental organizations. It also has a number of strategic tracks that need to be well-integrated. It is critical that the campaign have some type of coordinating structure to insure that all groups and strategic tracks are connected. This coordinating structure also needs some authority to direct funds to high priority activities quickly. While NGOs generally prefer a network structure that allows for maximum communication, and minimal centralized control, foundations investing most heavily in the campaign have a vested interest in exercising some control over the process.

We have developed a hybrid campaign structure that allows for both NGO and funder preferences. Within this structure, NGOs involved in the campaign work together to determine their strategic plan and funding priorities. They are encouraged to seek funding for their individual campaign work, and the Campaign Coordinator and Deputy Coordinators will assist them in this regard when appropriate. For foundations that prefer to channel their funding through the Coordination Center (see below), it will be allocated according to the funding priorities determined by the Campaign Groups and the Steering Committee.

***The Coordination Center*:** The Coordination Center will be comprised of a Lead Campaign Coordinator, two Deputy Coordinators (U.S. and Canadian), and two Media Coordinators (U.S. and Canadian). The Lead Campaign Coordinator and two Deputy Coordinators will constitute the Tar Sands Campaign Steering Committee. The Coordination Center *shall remain invisible* to the outside and to the extent possible, staff will be "purchased" from engaged organizations.

A. *The Lead Coordinator* is responsible for overall strategic direction, fund raising, bridge building to critical networks, and supervision of staff.

B. *The Deputy Coordinators, U.S. and Canadian,* will have primary responsibility for coordinating groups within their national boundaries. Both Coordinators will work closely together to manage all four campaign tracks where the work involves activities north and south of the border (e.g., U.S. and Canada carbon policy work).

C. *The Media Coordinators, U.S. and Canadian,* will be responsible for working with media directors of the involved organizations in their country to develop strong messaging and to create and seize media opportunities. They will direct media opportunities to the appropriate groups.

D. *The Tar Sands Campaign Steering Committee* will consist of the Overall Coordinator, U.S. and Canadian Coordinators. Their job is to constantly refine campaign strategy, insure coordination within and across work groups and borders, as well as to help raise funds and make all funding decisions.

The Tar Sands Campaign Groups: As the campaign grows it will be important to be able to set up list serves, conference calls, strategy meetings, etc. that involve fewer people focused on specific strategic tracks. The job of the Canadian and U.S. coordinators is to make sure they are working together to coordinate the various campaign groups.

Each group will be comprised of campaigners working on that strategic track. They, in turn, will be responsible for informing and involving their grassroots network as appropriate. Each group will be responsible for meeting together to develop and refine campaign strategy for their track. They are also responsible for developing a budget with funding priorities. Their strategy and budget will then guide the work of the Coordinating Center as it works with the groups in each hub to fund their track. The four initial groups are:

- Policy Group (state, provincial, national, and international policy work)
- Infrastructure Group (pipelines, refineries, challenges to existing operations)
- Markets/Finance Group (financiers and large institutional customers)
- Communications Group (framing, branding, and defining the terms of the debate)

A. ***Policy Group***: There is policy work that is happening at the local, state, regional, national and international levels. Low Carbon Fuel Standards, government agency fuel purchasing restrictions, cap and trade/auction, carbon taxes, energy conservation incentives, etc. are all important to the long-term goals of the campaign. The purpose of this group is to evaluate, formulate, integrate with other policy efforts, and advance the highest legislative bar. It is also to define and promote the alternative transportation fuel model.

B. ***Infrastructure Group***: This group will have a U.S. and Canadian component. It is comprised of NGOs, communities, and First Nations challenging the approval of pipelines, refineries, up-graders and new approvals. It also includes challenges to tar sands operations around air, water, and other environmental impacts.

C. ***Markets/Finance Group***: This group is comprised of NGOs focusing on the largest tar sands customers (e.g., municipalities, government agencies, corporate fleets) and financiers (banks, investors). Its goal is to obtain commitments or legislation that reduce the demands for tar sands oil.

D. ***Communications Group***: This group will focus on framing the debate, branding the campaign, and defining the terms of the debate. It is a meta-campaign effort in that its work creates the context in which the other three groups operate. It also works to leverage the achievements of the other three groups to elevate the debate, evolve the framing, and negatively brand tar sands oil.

VI. THE CAMPAIGN FUNDING PRIORITIES

There are a number of NGOs involved in this campaign and funding to support their work is considered a very high priority. In Canada, Pembina Institute, Environmental Defense-Canada, ForestEthics-Canada, Ecojustice, Greenpeace-Canada, Sierra Club-Canada, Canadian Boreal Initiative, World Wildlife Fund-Canada, and Polaris Institute are all key players. In the U.S., Natural Resources Defense Council, Rainforest Action Network, ForestEthics-U.S., Ceres, Oil Change International, Earthworks/Oil and Gas Accountability Project, Boreal Songbird Initiative, Global Community Monitor, Sierra Club-U.S., and Indigenous Environmental Network are the leading national groups with a host of regional groups playing an indispensable role to block specific infrastructure projects. Several sovereign Indian Nations, both in the U.S. (e.g., The Sioux Nation) and Canada (e.g., the Mikisew Cree, Athabasca Chipewyan First Nation) will also be critical to this campaign, as they are directly impacted by proposed infrastructure or existing production operations, and in some instances are the entities with standing to pursue legal action.

The budget for this campaign is outlined in a separate attachment. In brief, the specific campaign funding categories are as follows:

A. Campaign Infrastructure. This includes funding for an Overall Coordinator with administrative assistant, as well as a U.S. and Canadian Deputy Coordinators, and U.S. and Canadian Media Coordinators. It also includes travel for these individuals and meeting expenses.

B. U.S. and Canadian Infrastructure Group. This entails several sub-components:

a. *Legal Challenges.* Both the U.S. and Canadian governments are fast-tracking approvals for infrastructure, often without proper review, citizen input, and environmental impact analysis. This is a major funding category, but it is also very important, and to date has been very effective at slowing refineries.

b. *Organizing Challenges*. It is critical that affected communities, First Nations and others, be educated and organized to raise their opposition to refineries and pipelines. This is most often an environmental justice issue and it creates opportunities to coalesce opposition from many different constituencies.

c. *U.S. Midwest Strategy Analysis*. It is important that we immediately assess the best organizing and legal options in the Midwestern U.S. in order to determine how best to focus our resources. Where are we most likely to win and at what cost?

d. *Canadian Strategy Analysis*. There are a number of First Nations capable of bringing suit, but which ones will not succumb to large financial buy-offs from industry or government? What communities can be organized to voice strongest opposition to proposed refinery or tar sands operations?

e. *Research to Support Legal Challenges.* This is an expensive element of the campaign, but it is the area where we document the environmental and health violations of existing laws. It is also where we document the dangers of tar sands operations, and where we mobilize public opinion against these operations.

C. U.S. and Canadian Policy Work. This has the following sub-components:

a. *U.S. Federal Policy Work*. This aspect of the campaign is dedicated to lobbying for legislation to support an alternative energy and transportation model as well as any legislation that complicates the importation of tar sands oil (e.g., Section 526 of the 2008 Energy Bill). It is also for lobbying against legislation that would facilitate tar sands oil importation.

b. *Canadian Federal Policy Work*. This aspect of the campaign involves generating public pressure on the federal government to enforce existing regulations which to date it has been reticent to do. It is about pressuring the Canadian government to adopt global warming standards and goals that make full exploitation of the tar sands impossible.

D. U.S. and Canadian Markets/Finance Work. This has several sub-components:

a. *U.S. Low Carbon Fuel Standard (LCFS) Advocacy*. This sub-category involves researching and developing a strategy for defining and supporting this legislation. It involves funding for lobbyists to advance this legislation and for generating supportive public opinion with the states. This funding also underwrites activities to turn major customers-corporations and municipalities, into advocates for LCFS.

b. *Canadian Low Carbon Fuel Standard Advocacy*. BC and Ontario are considering adopting this legislation. They also consume tar sands oil, so their leadership could not only be influential in bringing other provinces into play, but also sending a strong market signal against tar sands oil.

c. *International Organizing*. Two companies, Shell and Total are European based. Canada has always valued its image in these countries, which are much more committed to the global warming agenda and could potentially bring pressure both on the companies based there and Canada to bring its policies in line.

d. *Finance and Investment Analysis*. As the U.S. prepares for a sustained recession, credit markets tighten and demand for oil declines along with the price of a barrel of oil. At the same time, legal, legislative, and marketplace challenges inject an element of uncertainty and greater risk into tar sands investments which will be used in this campaign to discourage lending and investments in tar sands production. Banks and major institutional investors supporting tar sands will also be stigmatized.

E. Communications Work. Sub-components include:

a. *Framework and Messaging.* At a time when citizens are alarmed by the high price of gas and our federal governments are pushing "energy security," we need to be sure that we have framed our solutions in way that promotes new thinking and puts our opponents on the defensive. We also need to test our messaging to insure that it is as persuasive as possible, and tailor it to our respective national audiences.

b. *Shared Educational Tools*. Every campaign needs tools to educate the public and the media. We need a central Tar Sands website that is kept carefully up to date, provides comprehensive resources on the topic, and even acts as a tool for recruiting and activating opponents. We need a brief, but powerful DVD that quickly tells the story of how tar sands oil not only harms the environment and downstream communities, but defeats our global warming efforts in other areas.

c. *Celebrity Engagement*. We need credible individuals who represent different constituencies to publicly and persuasive oppose tar sands oil and advocate an alternative agenda. In some instances this includes Nobel Prize winners, in others business leaders like T. Boone Pickens, and in others movie and music celebrities whose opinions and "mediagenics" influence the pubic and attract the media.

d. *Media Generation*. We need to be able to buy media at critical times to put a spotlight on critical decision makers and bodies. We need to be able to buy media to amplify embarrassing or disturbing facts about the tar sands operations (e.g., when 500 ducks died on a tailing pond) or the way decisions are being made. We especially need to be strategic about buying media that generates significantly more media (e.g., *New York Times* ads that generate news stories in the Canadian media).

VII. CONCLUSION

At the moment there is a gap in the overall global warming campaign. There is no major campaign to stop the influx of fossil fuels for transportation. As the cost of transportation fuels increase, governments and industry are increasingly motivated to jettison even the illusion of seeking a clean energy future in hopes of capitalizing on the newly profitable, bottom of the barrel non-conventional fuels. If these fuels are exploited fully, they will neutralize the positive impacts from other global warming efforts. James Hansen, perhaps the most well-known U.S. scientist on global warming, has concluded that "it's game over" if the tar sands are fully exploited. Our atmosphere simply cannot tolerate this huge pulse of greenhouse gases. Tar sands, oil shale, and other non-conventional fuels will generate greater emissions, perpetuate our fossil fuel addiction, and do great environmental, community, and health damage. While our main NGO and foundation forces take the threat of coal head on, the oil industry is doing an end run with tar sands oil and other non-conventional fuels. And yet these fuels have huge potential as the "poster children" to tell the story of our addiction and highlight the urgency of choosing a clean energy future. This is a critical campaign that must be fully supported and which we cannot afford to lose.