

The Mission of Canada
to the European Union
Office of the Ambassador



La Mission du Canada
auprès de l'Union Européenne
Bureau de l'Ambassadeur

Avenue de Tervuren, 2
1040 Brussels, Belgium

December 8, 2011

Ms. Connie Hedegaard
Commissioner for Climate Action
Directorate General for Climate Action
Berl 9/ 369
Rue de la Loi, 200
B-1049 Brussels

Dear Commissioner,

Thank you again for taking the time to meet with me on November 7 – it was a pleasure to meet you and to discuss issues of importance to both the EU and Canada.

As you will recall, during our meeting I reiterated to you Canada's serious concerns about the EU Fuel Quality Directive's implementing measures, as currently proposed to Member States for approval. I would like to take this opportunity to again summarize Canada's position on this issue.

Oil sands crude is an internationally recognised heavy crude oil commonly traded and used on the global market. The current Commission proposal continues to make a distinction between "conventional crude oil" and oil sands crude (referred to as "natural bitumen" in the implementing measures) and thus treats oil sands crude as a separate feedstock from other crude sources of oil. Crude oil, including oil sands crude, is first and foremost a "petroleum feedstock" for refineries, and is typically designated as light to heavy or sweet to sour, based on density and/or viscosity, or by sulphur content. All crude oils, including oil sands crude, are thus comprised of a common set of chemical compounds and physical attributes: for oil sands crude, these characteristics are well within the continuum of those of heavy crudes commonly traded on the global market.

Moreover, transportation fuels derived from oil sands crude are indistinguishable from transport fuels derived from other crude oils. This is reflected by the fact that the Harmonized System (HS) Code, the internationally standardized system of nomenclature developed for classifying traded products, does not distinguish between origins of petrol and diesel, since petrol and diesel from one source are indistinguishable from petrol and diesel from another source.

I understand that work is ongoing in the comitology process to address potential concerns raised by Member States on the administrative burden and reporting requirements of the implementing measures. This does not eliminate Canada's basic concern that the implementing measures of the Fuel Quality Directive arbitrarily segregate oil sands crude from other crudes. Canada will not accept oil sands crude being singled out in the Fuel Quality Directive as an entirely separate feedstock from other crudes which are bundled together under a single default value.

As discussed during our meeting, if the final measures single out oil sands crude in a discriminatory, arbitrary or unscientific way, or are otherwise inconsistent with the EU's international trade obligations, I want to again state that Canada will explore every avenue at its disposal to defend its interests, including at the World Trade Organization.

Please accept, dear Commissioner, the assurances of my highest consideration.

Yours truly,

A handwritten signature in blue ink, appearing to read "David Plunkett", with a stylized flourish at the end.

David Plunkett