



True Cost Accounting would tell the whole story on proposed Teck/Frontier mine

As Canada looks for that sweet spot between energy development and environmental protection, we need True Cost Accounting to help us get the whole story. Including all of the costs in the accounting for any project delivers it's 'true cost': not just costs for project proponents, but real costs for Canadians today, and also the costs for future generations. You wouldn't bake a cake without all of the ingredients, and we can't expect the Joint Review Panel to make an informed decision about yet another bitumen mine without considering all of the real long term costs. The Joint Review Panel convenes on September 25, 2018 to review Teck's application for a brand new bitumen mine in Alberta. This, the largest and most northerly mine yet, is right next to endangered UNESCO world heritage site, the Wood Buffalo National Park, and the application runs over 4,000 pages. It is contested by First Nations, environmental groups, and other concerned citizens.

In order to evaluate the true costs of any given project, we need to look back and examine patterns from our short industrial history. The effects of projects need to include immediate and long term environmental effects, short and long term health effects and health care, and financial risk for remediation. Objections to projects are raised when the true costs to human health and the environment are routinely ignored. These costs can be substantial. They can even outweigh the benefit to Canadians gained through the taxes earned on industrial projects. This is certainly the case at the 'bankrupt' Giant Mine, NWT, where Canadians will pay over \$200M/year more than we received in taxes just to maintain a remote toxic site, and reclamation will cost over \$1B and take generations. Continuous risk from arsenic poisoning affects many local communities. Is all this really worth 40 years of jobs? A recent and rare good example of including true costs is both Alberta and Canada transitioning away from coal powered energy to save the millions of Canadians suffering with asthma and other lung disease, and the cost of treating that suffering.

Canadians pay the health costs of people who are affected by industrial pollution. Where other measures fall short, we also pay the costs of environmental remediation when companies go bankrupt and leave a mess. We certainly all pay increasing insurance premiums because of extreme weather and climate change disasters. Because we pay for all these factors, Canadians have earned the right to grant social license.

If evidence is what we are basing decisions about proposed projects on, we need to include evidence of patterns from our past experiences with industry, for example, the tobacco and asbestos industries, and the case of Giant Mine. Keeping these examples in mind as Teck's Frontier Oil Sands Project is evaluated by the Joint Review Panel can help us stay focused.

Both the tobacco and asbestos industries provided carefully constructed 'alternative science' for decades, fighting long standing legal and 'science wars' to protect their profits against the claims (now irrevocably proven) that cigarettes cause cancer, and asbestos causes lung disease. If these industries had been forthright about their own research from the beginning, millions of lives and billions in health costs could have been saved. Some companies in the oil and gas sector have unfortunately been copying this terrible formula. While successful new lawsuits are springing up to challenge the pharmaceutical and glyphosate (pesticide) industries, we don't have time to fight decades long legal battles and science wars over our worsening environment any more. New research shows we have two years to bring down carbon emissions or face catastrophic climate change.

The 'world class' monitoring system we were promised 10 years ago in Alberta has failed to materialize; can this be because the status quo prefer to keep up the myth that negative environmental and health effects of bitumen mining are minimal? While preliminary studies by the University of Manitoba in cooperation with Athabasca Chipewyan First Nation and Mikisew Cree Nation showed confirmed cancer clusters around Fort McKay and Fort Chipewyan the comprehensive health study was cancelled because First Nations walked away when industry felt the need to step in. Why did the oil and gas industry feel the need to participate in a community health study? Other recent studies show that there are both data gaps and knowledge gaps in the current method of data collection for pipeline spills, methane release, particulate matter, and so many more environmental issues where today these facts are 'self-reported' by industry.

Premiers, Prime Ministers and other elected representatives regularly travel the world to promote Alberta's bitumen because of our 'stringent environmental standards' which look good on paper, but are shown as unenforceable. Pundits cry foul when bitumen is called dirty oil. Our Alberta bitumen is oil that actually contains so much dirt it cannot physically flow down a pipe without the addition of toxic and highly explosive diluent. Diluent is recovered during processing, and in theory shipped back and recycled. The extra processing required to the remove actual dirt from bitumen and make our oil usable means that 'western Canadian select' product is less than half price per barrel than 'west Texas intermediate'; we have our own grade for oil, the lowest there is. Market access won't change the quality of our bitumen, only refining can do that. If we were "doing everything right", we wouldn't have confirmed cancer clusters in Northern Alberta, a NAFTA challenge on how we handle 3B (and growing) litres of toxic tailings, and a UNESCO investigation on industrial effects in Wood Buffalo National Park. In today's world, where biased evidence is so often provided by project proponents, it's up to governments to ask the right questions, and citizens to step up and make sure they do.

While Teck Resources Ltd. is a large multinational corporation, they were downgraded to ‘junk’ status by Moody’s Investor Service in 2016. The company is now considered ‘in recovery’, but the true costs of worst case scenario clean up at their proposed remote Frontier Oil Sands Project must be included in the project review, along with how they plan to finance all of this. Current tailings management plans and especially the Mine Financial Security Program fall extremely short, leaving Canadian taxpayers with long term multibillion dollar liabilities. Only public and government vigilance can prevent continuing the current devastation.

Prime Minister Harper committed Canada to ending all oil production by the end of this century, back in 2015. With the rest of the world transitioning away from oil, now Alberta and Canada consider their climate action plans a social license to continue producing bitumen. Does Northern Alberta really need yet another, larger, and even more remote, open pit bitumen mine, complete with toxic tailings ponds, when we still don’t have refining capacity? Do we really need to burn our non-renewable resources as quickly as possible, depriving future generations and increasing climate change? Other countries aside from the US can’t process bitumen, and Canada’s desperation is showing when we buy a pipeline to ship it. This all comes at a time when international partners such as Shell, Marathon, Total, Statoil, Conoco Phillips, and Exxon Mobil have divested and rumour has it that Chevron is next out of Alberta. Countries that forfeit their health and environmental regulations and international commitments do so at their peril; Canada claims to be a world leader and example of sustainability. If the Joint Review Panel approves the world’s largest and most remote bitumen mine in an already polluted environment next to a world heritage site, we are proving ourselves wrong. Social license for increased climate change and pollution does not exist.



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We are First Nations, Métis, Inuit, environmental groups and watershed citizens working together for the protection of water, land and air for all living things in the Arctic Drainage Basin. We are guided by both indigenous Elders’ traditional knowledge and western science. We recognize and honour the legal importance of First Nations and Aboriginal Treaty rights to the waters, lands and livelihood. We recognize that significant cumulative impacts are compromising the health and integrity of the Arctic Drainage Basin, all of which appear to be negatively affecting fish and wildlife populations and adversely affecting the exercise of Aboriginal and Treaty rights to hunt, trap and fish within indigenous peoples’ traditional territories.