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Fact Sheet: Oil from Canada

Background

The United States imports 9 million barrels of oil a day to help meet its energy needs. Canada is the largest supplier of oil to the U.S., providing nearly 2 million barrels a day – over 1/5 – of these imports.

Canada has the second largest oil reserves in the world, with over 175 billion barrels of oil within its borders. Much of Canada's oil is located in geologic formations that are a mixture of sand, water, clay and heavy, thick oil called bitumen. These natural formations are called oil sands.

Canada sends more than 99 percent of its oil exports to the United States, the bulk of which goes to Midwestern refineries for refining and processing. Oil from Canada is mainly transmitted to these refineries and other locations in the United States through oil pipelines.

What the crude oil from Canadian oil sands means to the U.S.

Job Creation

A 2011 study by the Canadian Energy Research Institute (CERI) found that U.S. jobs supported by Canadian oil sands development could grow from over 80,000 jobs today to 600,000 jobs by 2035. The study also finds that for every two jobs created in Canada from oil sands development, one is created in the U.S.

Economic Growth

Nearly 2,400 American companies from 49 states are already involved in the development of Canada's oil sands. A variety of American companies manufacture equipment and products that are then used in Canada for oil production – everything from engines made in Indiana to tires made in South Carolina. In addition, U.S. dollars sent to Canada to purchase energy resources can end up back in the U.S. through the purchase of finished products and other American goods. In fact, increased development of Canadian oil sands is expected to add \$521 billion to U.S. GDP between now and 2035.

Energy Security

The U.S. and Canada already enjoy the largest trading partnership in the world. Sourcing more of our energy from a friendly, trusted and nearby neighbor will help reduce U.S. reliance on energy resources from elsewhere. While the U.S. should expand the use of its own domestic energy resources, imported oil will continue to play a key role in meeting energy demand and oil from Canada can help meet those supply and demand challenges.

Environmental Protection

The Canada government has stringent environmental controls in place to protect the surrounding environment as oil is extracted. An additional consideration is that if Canadian oil is not transported to and refined in the U.S., it could be exported to other countries, many of which do not have the environmental laws and regulations that are in place here in the U.S. For example, China has been actively seeking energy resources from around the globe and is a likely buyer of Canadian oil not coming into the U.S. market.

U.S. government policies should encourage the expanded use of Canadian oil

A recent survey of Americans showed that 85% believe that "U.S. government policies should support the use of oil from Canada's oil sands". Federal or state regulations that delay or stop oil from Canada would run counter to this overwhelming support and would weaken America's energy security.

Other countries are looking out for their energy futures. The U.S. needs to as well.