

## (October 7, 2005) Lipinski Speaks About the Oil Sands of Alberta, Canada

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Mr. Speaker, I rise today to raise an issue of great importance to our nation that I fear is being overlooked, the oil sands of Alberta, Canada. Aside from Saudi Arabia's oil fields, these sands contain the largest deposits of oil in the world, and thus could be critical for our future energy security.

Just a few months ago, the Chinese National Offshore Oil Company (CNOOC) attempted to purchase the American energy company Unocal. CNOOC is very different from most other companies because it is owned by the Chinese government - it could be directed to sell oil only to the Chinese, taking a large portion of its resources off of the international oil market. As a result of this possibility, the sale of Unocal raised great concerns in the American public. If it had occurred, the Chinese government would have gained control of a significant American player in the energy industry, just as we are struggling with sky rocketing prices and concerns about a secure supply and our reliance on the volatile Middle East.

Although CNOOC withdrew its bid to buy Unocal, it did not stop looking for other sources of oil. The interest of Chinese companies in Canadian oil is especially troublesome. In May, CNOOC purchased almost 17 percent of MEG Energy Corporation, a Canadian company that owns oil sands leases in almost 33,000 acres of Alberta land. Another Chinese company, SinoCanada Petroleum Corporation, has formed a joint venture with Canada's Synenco Energy to develop oil sands projects in Canada estimated to produce 5 million tons of synthetic crude oil. These initial investments illustrate the worrisome growing Chinese interest in the estimated 178 billion barrels of recoverable oil in Alberta.

Canada is our respected, sovereign neighbor and our strong relationship has provided many benefits for both of our countries. Canada is our greatest trading partner with more than \$1 billion a day in goods and services traded. Canada exports almost 99 percent of their oil to the United States. And the U.S. imports more oil from Canada than any other country, with almost 16 percent of our total imports coming from our northern neighbor. With the increasing development of Alberta's oil sands this percentage could significantly increase.

If CNOOC had purchased Unocal, it would have owned an American company but few oil resources in North America as most of Unocal's oil reserves are foreign. But now China is interested not just in North American companies, but in Canadian oil reserves as well - the most-secure source of oil outside of our own borders.

As the Chinese become more involved, the U.S. needs to be more engaged with the Canadian government and the provincial government of Alberta in discussing the ramifications of this interest. Let me be clear on this: neither Congress nor the Bush Administration can tell - or should ever attempt to tell - Canada or Alberta what to do. However, our government should utilize our good relations and strong economic ties to learn more about the Chinese interest in Canadian oil and to discuss the potential shared security concerns.

The Administration has shown an interest in this important issue. Treasury Secretary Snow visited Alberta in July and Vice President Cheney was scheduled to tour the area in September, but postponed his visit after Hurricane Katrina. The Senate sent a delegation to the area in August. I strongly encourage the Vice President to reschedule his trip, as well as encourage other members of Congress to learn more about this close energy source.

This is a critical time to be concerned about secure energy supplies for the future of the United States. We need to be more diligent about conservation and efficient energy use. We need to be working harder to develop alternative sources of energy. But no matter what we do and how successful we are in weaning ourselves from oil, gas, and other conventional energy sources, our nation will still be in need of foreign fossil fuels for many years to come. In the unpredictable world we live in today, it would be best to rely on secure sources of energy close to home. That is why I urge Congress and the Administration to learn more about Alberta's oil sands and their potential to supply U.S. energy needs. We must continue to work closely with our neighbors to the North on this important security issue.

Thank you, Mr. Speaker, I yield back the balance of my time.