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Explaining Why Oilsands Are Important To U.S. Is Key In Building Support: Strategist

By Richard Macedo

The oil and gas industry needs to do a better job of explaining why the oilsands matter to the United States and its energy future, according to a communications strategist.

"In the environmental back and forth, I think you're doing an excellent job," **John Davies**, chief executive officer of U.S.-based **Davies Public Affairs**, told the **PennWell** oilsands conference on Thursday. "The problem is nobody's listening to the environmental back and forth.

"Why do you need to export oilsands ... to the Lower 48 of the United States? That's what's missing in the argument."

Environmental groups have protested the expansion of the oilsands while the industry has countered with its own public campaign to earn support. An ongoing lightning rod of debate is the Keystone XL pipeline expansion, which **TransCanada Corporation** says would generate about \$13 billion in investment in the U.S. alone. If approved, it would add about 500,000 bbls per day of carrying capacity to the existing Keystone system sometime in 2013. The line would move Canadian crude and bitumen to U.S. refineries, mainly on the U.S. Gulf Coast.

"Ask a typical, well-educated, well-informed American how much oil we get from Canada today. They have no idea," Davies said. "Ask them if they trust Venezuela and Nigeria to continue to be a reliable source.

"You have an incredible story to tell," he added. "You've just got to tell a story that's more based on what's in it for them. Right now it's about what's in it for you and we're arguing [about] the environment."

During his presentation, Davies said that some of the opponents of large development projects use fear to change regulations in order to raise the price of extraction.

"The industry that you have isn't the only industry that's playing in this field," he said. "The other industry is the environmental industry.

"I'm talking about the environmental industry that raises billions of dollars every year off projects like yours."

Davies is involved in managing numerous grassroots programs for various mining operations, including building a base of supporters for the controversial Rosemont copper mine in Tucson, Arizona.

"Twelve-step plans, multi-level environmental assessments don't motivate people; they're not going to change how people are going to do something. That's just a fact," he said. "You've got to start with a purpose, you've got to start with 'Why?'"

He highlighted the creation this year of the **American Resources Policy Network**, a panel of mining policy experts and thought leaders dedicated to promoting the exploration and development of U.S. domestic metal and mineral resources.

The group says many of these commodities are indispensable ingredients for products ranging from household items to highly specialized parts in the aviation and defence industries.

But, the U.S. has "subjected itself to a high degree of import dependency with regards to many of these critical materials." Focusing on the areas of resource security, resource policy and resource practice, the ARPN panel provides research and analysis, commentary and policy options for reducing U.S. dependence on foreign suppliers and improving domestic resource development policies.

The ARPN panel addresses the following questions: Is the U.S. doing what it can to develop domestic supplies of critical metals and minerals? Do American laws and regulations recognize the importance of domestic resource development to economic growth and national security? What processes and practices do American resource developers employ, how do they impact communities and the environment, and how do they measure up internationally?

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