

Canada's Oil & Gas Industry Undermines Democracy, Hinders Climate Action

Dave Gray Donald, Oil and Gas Program
Manager

BACKGROUND

March 2023



environmental
defence

Introduction

The oil and gas industry in Canada subverts and undermines democratic processes and hinders climate action through its lobbying and other influence-wielding activities.

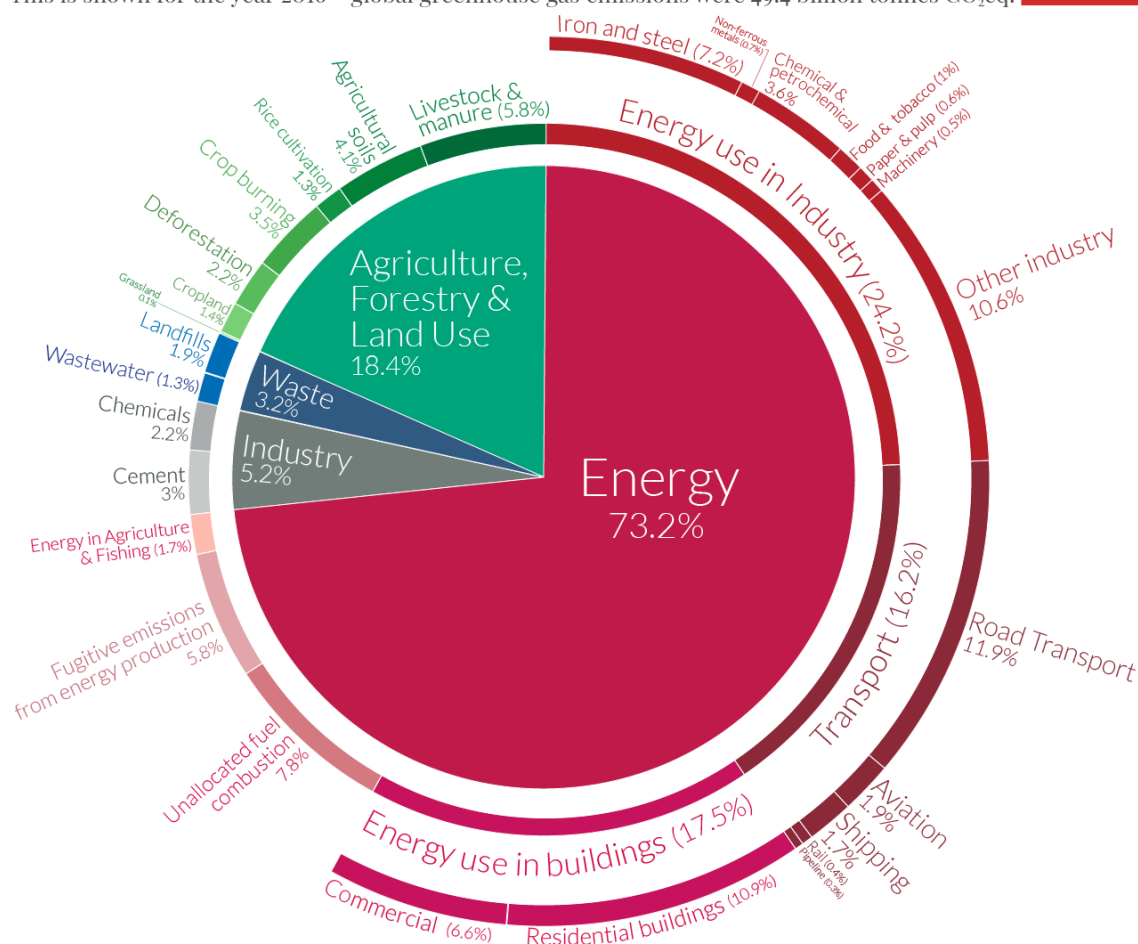
The production and consumption of fossil fuels is the source of over 75 per cent of greenhouse emissions globally¹. The industry in Canada has a vested interest in persuading governments to not enact regulations, policies or laws which would limit the production of fossil fuels and potentially reduce companies' profits.



¹ <https://www.un.org/en/climatechange/science/causes-effects-climate-change>

Global greenhouse gas emissions by sector

This is shown for the year 2016 – global greenhouse gas emissions were 49.4 billion tonnes CO₂eq.



OurWorldinData.org – Research and data to make progress against the world’s largest problems.

Source: Climate Watch, the World Resources Institute (2020).

Licensed under CC-BY by the author Hannah Ritchie (2020).

This pie-chart shows the breakdown of emissions by sector. Fossil fuels comprise the vast majority of “Energy” and are found in the other sectors as well, such as “Chemicals².” The World Resource Institute in 2020 stated, “Carbon dioxide (CO₂) comprises [74.1% of greenhouse gas emissions](#). Most CO₂ emissions ([92%](#)) are from the use of fossil fuels, especially for generation of electricity and heat, transportation, and manufacturing and consumption. ... Methane (CH₄) and nitrous oxide (N₂O) make up 17.3% and 6.2% of total greenhouse gas emissions, respectively, mostly from agriculture, waste treatment and gas flaring.³”

Lobbying happens at the provincial and federal levels. Here the focus is on the federal government, though many of these trends apply provincially as well.

² <https://ourworldindata.org/ghg-emissions-by-sector>

³ <https://www.wri.org/insights/4-charts-explain-greenhouse-gas-emissions-countries-and-sectors>

The oil and gas industry is one of the most active lobby groups

Having frequent, ongoing access to government officials, from junior staff to the most senior decision-makers, allows the industry to shape perceptions, norms, and continually pressure government on how to act.

- The oil and gas industry is one of the most active industries lobbying the federal government. For more than a decade, the Canadian Association of Petroleum Producers (CAPP) has been regularly at or near the top of the list of organizations holding the most lobbying meetings in a given month.^{4,5} The new Pathways Alliance, an association of oil sands producers Suncor, CNRL, Cenovus, Imperial Oil, ConocoPhillips Canada, and MEG Energy, has recently reached similar levels.⁶
- The industry lobbies the federal government around five to six times on average per workday (which excludes weekends but includes all weekdays in the year).^{7,8} This fluctuates month to month, for example with September 2022 at four times per workday and October 2022 at seven times per workday, as seen by Environmental Defence's [Federal Oil & Gas Lobbying Bot](#).⁹
- Lobbying has shifted from being more focused on elected officials during the Harper years to more focused on unelected civil servants during the Trudeau era, though Ministers and Members of Parliament still meet regularly with industry lobbyists.^{10,11} Many of the unelected civil servants were in government during the Harper years, indicating industry may develop allegiances with staff that extend beyond election cycles.

⁴ <https://policyalternatives.ca/publications/commentary/canada%E2%80%99s-fossil-fuel-lobby-influences-policy-and-decisions-major-federal>

⁵ <https://breachmedia.ca/oil-industry-lobbied-trudeau-government-more-than-harper-conservatives/>

⁶ <https://environmentaldefence.ca/2022/11/01/minister-wilkinson-and-pathways-alliance-top-septembers-oil-gas-lobbying-round-up/>

⁷ <https://policyalternatives.ca/publications/commentary/canada%E2%80%99s-fossil-fuel-lobby-influences-policy-and-decisions-major-federal>

⁸ <https://breachmedia.ca/oil-industry-lobbied-trudeau-government-more-than-harper-conservatives/>

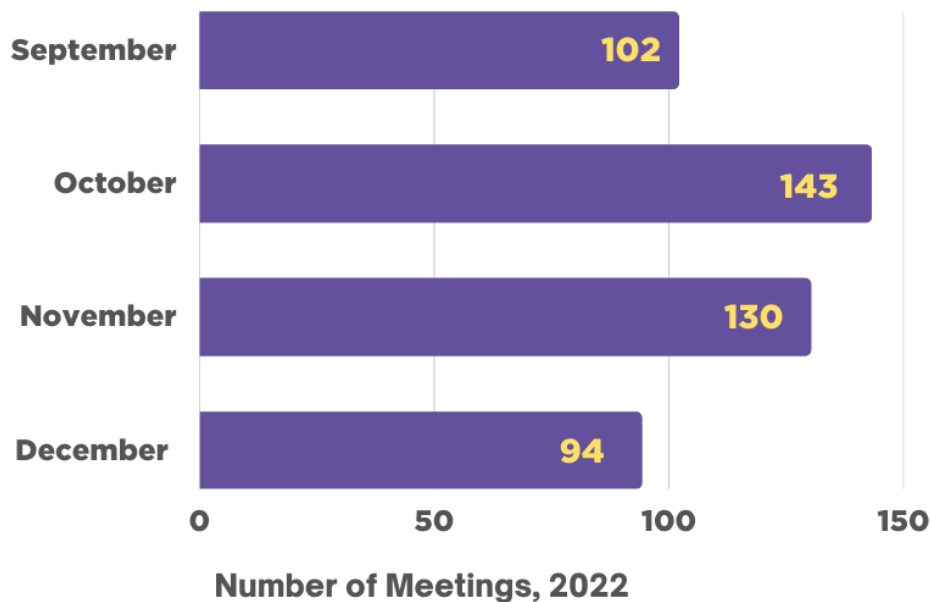
⁹ <https://environmentaldefence.ca/2022/11/01/minister-wilkinson-and-pathways-alliance-top-septembers-oil-gas-lobbying-round-up/>

¹⁰ <https://breachmedia.ca/oil-industry-lobbied-trudeau-government-more-than-harper-conservatives/>

¹¹ <https://policyalternatives.ca/publications/commentary/canada%E2%80%99s-fossil-fuel-lobby-influences-policy-and-decisions-major-federal>

Fossil Fuel Lobbyist Meetings

with the Canadian Government, per month



Follow @FedLobBot for more.



environmental
defence

The public wants climate action, yet government holds back under industry pressure

Polling indicates people support strong climate action, but Canadian governments have not been moving at the pace desired by the public.¹² Oil and gas industry lobbying and influence is a big reason why.

For example, polling shows that a majority of Canadians want the government to end fossil fuel subsidies.¹³ Yet as a result of oil and gas lobbying, the sector continues to receive massive levels of financial support from the federal government (as well as from provincial governments).¹⁴

This kind of subverting of the democratic will is the culmination of years of concerted effort and influence-building by industry. Through the immense volume of meetings with all levels

¹² <https://policyalternatives.ca/newsroom/news-releases/canadians-ready-bold-policies-transition-away-fossil-fuels-poll-finds>

¹³ <https://stand.earth/press-releases/new-poll-reveals-canadians-are-frustrated-with-delays-in-climate-action-and-want-prime-minister-justin-trudeau-to-quickly-deliver-on-climate-promises-in-his-first-100-days-in-office/>

¹⁴ <https://environmentaldefence.ca/federal-fossil-fuel-subsidies-tracking/>

of government, industry lobbyists attempt to be the dominant voice on fossil fuels and become the go-to sources when the government is making decisions and crafting policies.

Lobbying is not always a bad thing, however. There are organizations, including environmental advocacy organizations such as Environmental Defence, which lobby in the public interest. These organizations usually have limited access to government. In contrast, it is when organizations working in their own narrow private interests (such as oil and gas companies) have very regular, ongoing access to important decision-makers that democratic processes are at risk. The oil and gas industry also lobbies the federal government about five times as much as the environmental advocacy sector.¹⁵

Examples of results of industry's lobbying efforts

The federal Clean Fuel Standard legislation was in the works starting in 2016, but intense industry lobbying and public relations campaigns weakened the policy and delayed its passage and implementation for six years until 2022. Public Relations firm Navigator appears to have worked with industry and think tank partners beginning in 2018 to persuade the government to weaken and even abandon the legislation.¹⁶ The policy that passed allows for dirtier fuels than did the initially proposed regulations, covers fewer fuels, and is less stringent than regulations in other jurisdictions, such as B.C.¹⁷

At the start of the pandemic in spring 2020, in addition to lobbying against the Clean Fuel Standard, CAPP asked the federal government to stop progress on every climate that was proposed or under development at the time.¹⁸ That included:

- Strengthening the 2030 carbon emission reduction target under the Paris Agreement, and additional measures to achieve that
- Setting a net zero emission target for 2050
- Setting 5-year carbon emission reduction milestones
- Finalizing the Clean Fuel Standards
- Increasing the federal carbon price
- Finalizing the Strategic Assessment of Climate Change

While the environment and waterways are cherished in Canada and people want them protected, the industry has weakened regulations to keep them safe. In 2011, four oil and gas industry associations including CAPP sent a letter to two ministers in former Prime Minister Stephen Harper's government asking for changes to six environmental laws. In 2012, the government passed amendments buried in omnibus bills to significantly weaken the *Environmental Assessment Act*, the *Navigable Waters Act*, and other bills to the benefit of oil and gas companies.

When the government of Prime Minister Justin Trudeau was working on strengthening the *Environmental Assessment Act* in legislation first proposed in 2018, the industry, led by

¹⁵ <https://policyalternatives.ca/publications/commentary/canada%E2%80%99s-fossil-fuel-lobby-influences-policy-and-decisions-major-federal>

¹⁶ <https://www.greenpeace.org/canada/en/press-release/43575/leaked-document-details-industrys-secret-plan-to-defeat-clean-fuel-standard-fighting-climate-change-is-a-losing-battle/>

¹⁷ <https://www.pembina.org/reports/briefing-note-clean-fuel-regulations-april-2022.pdf>

¹⁸ <https://environmentaldefence.ca/wp-content/uploads/2020/04/CAPP-COVID-Memo-EDC-Backgrounder.pdf>

CAPP, met 945 times in 12 months with government officials about the Impact Assessment bill.¹⁹ Many amendments put forward by Senators reflected industry wishes; some used exactly the same language as amendments proposed by CAPP or oil companies.²⁰ The industry managed to make climate considerations weak and vague, and even won additional exemptions, including for gas fracking and in-situ oil sands projects.²¹

The “revolving door”

The “revolving door” between government and lobbyists is concerning as it indicates how well networked the industry is with government. When people move from government to industry or the other way around, they bring with them the knowledge and contacts from their previous workplace, which the fossil fuel uses to its advantage to access and influence government decision-makers. This is a level of influence far out of reach for nearly anyone else.

Government officials regularly leave government to either:

- Sit on oil and gas company boards, like former Saskatchewan Premier Brad Wall at Whitecap Resources²²
- Work for oil and gas companies, like former Liberal MP Martha Hall Findlay who worked from 2020 to 2022 as a sustainability executive at Suncor²³; former Jason Kenney staffer Brock Harrison going in 2022 to work at pipeline company TC Energy as manager of government relations for the Prairie provinces²⁴; and former unelected partisans and government insiders in BC working as lobbyists²⁵
- Or work at law firms and consultancies where their colleagues have oil and gas industry as clients, like former Prime Minister Stephen Harper working at law firm Denton’s, which does not lobby federally.^{26, 27}
- In some cases, government invites former oil and gas industry leaders to shape government policy and crown corporation strategy. This happened with the former head of the Canadian Association of Petroleum Producers Dave Collyer being invited as an advisor to Export Development Canada in 2022.²⁸

¹⁹ Riley, S. J. and S. Cox. (June 13, 2019). “Industry responsible for 80 per cent of Senate lobbying linked to Bill C-69.” The Narwhal. Access at: <https://thenarwhal.ca/industry-responsible-for-80-per-cent-of-senate-lobbying-linked-to-bill-c-69/>

²⁰ Ibid.

²¹ Ibid.

²² <https://www.cbc.ca/news/canada/saskatchewan/brad-wall-board-energy-1.5263482>

²³ <https://calgary.ctvnews.ca/martha-hall-findlay-suncor-energy-s-first-chief-climate-officer-to-retire-from-role-1.6116436>

²⁴ <https://thenarwhal.ca/tc-energy-jason-kenney/>

²⁵ <https://breachmedia.ca/power-defending-itself-surg-ing-bc-ndp-candidate-smear-ed-by-establishment/>

²⁶ <https://thenarwhal.ca/tc-energy-jason-kenney/>

²⁷ <https://breachmedia.ca/oil-industry-lobbied-trudeau-government-more-than-harper-conservatives/>

²⁸ <https://www.nationalobserver.com/2022/07/21/news/export-development-canada-taps-former-capp-boss-join-advisers>

Influence beyond lobbying: regulatory capture, infiltrating institutions, media, and advertising

Lobbying is one way the industry builds and maintains influence. But there are several other ways, which it pursues with its multi-billion dollar budgets.

Regulatory Capture

“Regulatory capture” is when an industry so dominates the government institutions meant to regulate it, that the institutions give industry exactly what they want. The institutions come to work more for the industry than for the general public. Regulatory capture can result from ideological alignment, or from having people whose allegiance is to the industry in question working in key positions in government.

Former staff at regulators such as the National Energy Board (now the Canadian Energy Regulator), as well as scholars have expressed concern that regulatory bodies in Canada are in a state of regulatory capture by fossil fuel interests.^{29,30}

In 2020, a Natural Resources Canada (NRCAN) Deputy Minister said at a meeting with industry that the Ministry sees itself as industry's "champion in government."³¹ This shows an almost complete integration of industry and NRCAN interests, a sign of regulatory capture.

Infiltrating Institutions

The industry along with industry-funded think tanks and institutes continuously get their messages into major media in Canada, creating the impression of support for their positions. For example, Jack Mintz is a board member with Imperial Oil, a founding director of the Fraser Institute, and a fellow at the School of Public Policy at the University of Calgary, which has received major donations from Imperial Oil.^{32,33} He regularly writes opinion articles for Postmedia papers, syndicated across the country, including about resource industries and climate policy, but without a disclaimer about his role at Imperial Oil.^{34,35}

In addition to pro-industry academics and researchers, who are seen as more credible than the oil and gas companies,³⁶ the heads of those companies are also given space to make their case in newspapers. Between 2016 and 2020, Postmedia published 19 articles by CAPP's

²⁹ <https://thenarwhal.ca/national-energy-board-captured-regulator-urgent-need-overhaul/>

³⁰ https://www.uottawa.ca/positive-energy/sites/www.uottawa.ca/positive-energy/files/pe_the_policy_regulatory_nexus_in_canada_final.pdf

³¹ September 24, 2020, Call Summary: NRCAN & Petroleum Industry Associations. Accessed through Access to Information and Privacy request. Available on request.

³² <https://www.fraserinstitute.org/profile/jack-mintz>

³³ <https://www.newswire.ca/news-releases/imperial-oil-foundation-gives-1-million-to-the-school-of-public-policy-538825301.html>

³⁴ <https://nationalpost.com/author/jackmintz/>

³⁵ For example: <https://financialpost.com/opinion/jack-mintz-climate-policy-trudeau-carbon-tax>

³⁶ <https://thenarwhal.ca/purchasing-credibility-industry-and-academy-align-forces-through-calgary-school-public-policy/>

then-CEO Tim McMillan.³⁷ In 2022, the Globe and Mail published several articles by leadership and members of the Pathways Alliance.³⁸ Together, this creates a narrative in support of actions and regulations that will benefit the industry.

Advertising

Advertising adds to this appearance of support for the industry. Oil and gas producers are some of the biggest companies in Canada and can afford massive advertising campaigns. This can include radio, TV, and movie theatre ads, like for Pathways Alliance. It also includes sports sponsorships such as Esso (Imperial Oil) sponsoring the National Hockey League³⁹ and Petro-Canada (Suncor) sponsoring the Canadian Olympic Team⁴⁰, which gives the oil retailers significant exposure in major media.

Companies, associations, and the groups they fund also advertise aggressively on social media, to convince people of their perspective. For example, Coastal GasLink and several industry-supported groups bought around \$110,000 in social media ads while protests and blockades against the pipeline were happening in winter 2020.⁴¹

Advertisements are also regularly placed in newspapers. Pathways Alliance bought a “wrap” of the Toronto Star, which covered part of the front and back of the paper, for their “Let’s Clear the Air” campaign in 2022.⁴² Similarly, the Modern Miracle Network, mainly made up of junior oil companies, bought wraps of Postmedia papers to send an open letter to Prime Minister Justin Trudeau in 2022.⁴³

In recent years, newspapers have increasingly published advertorials or sponsored content, which are paid ads but which look very similar to articles. Pathways Alliance placed an advertorial in the Globe and Mail in November 2022 about how their carbon capture plans are essential to Canada’s climate plan, which does not hold up to scrutiny.⁴⁴

³⁷ <https://rabble.ca/environment/how-canadas-oily-press-supports-fossil-fuel-industry/>

³⁸ See for example: <https://www.theglobeandmail.com/business/commentary/article-ottawa-oil-sands-industry-climate-change/>, <https://www.theglobeandmail.com/business/commentary/article-ottawas-unrealistic-emissions-plan-could-drive-away-investment/>, and <https://www.theglobeandmail.com/business/commentary/article-2022-good-year-oil-companies/>

³⁹ <https://www.imperialoil.ca/en-CA/company/about/our-history>

⁴⁰ <https://olympic.ca/partners/petro-canada/>

⁴¹ <https://www.cbc.ca/news/canada/coastal-gas-link-rail-blockades-facebook-1.5484039>

⁴² Saturday, October 8, 2022, print edition of the Toronto Star.

⁴³ <https://www.facebook.com/ModernMiracleNetwork/photos/pcb.1909098796148084/1909097036148260>

⁴⁴ <https://www.theglobeandmail.com/business/adv/article-innovation-and-technology-in-the-oil-sands-vital-to-canadas-climate/>

Take action and follow along

The public can find out if their Member of Parliament or other federal government officials are meeting with oil & gas lobbyists by visiting the [Listing of Designated Public Office Holders who are in Monthly Communication Reports](#) page of the federal Registry Lobbyists. Find the name of the office holder, and then you will see all the people who have lobbied them, and when.

To see a running record of who the industry is lobbying in the federal government, [follow our lobby bot](#)



environmental
defence

ABOUT ENVIRONMENTAL DEFENCE (environmentaldefence.ca): Environmental Defence is a leading Canadian environmental advocacy organization that works with government, industry and individuals to defend clean water, a safe climate and healthy communities.