



AMERICAN PETROLEUM INSTITUTE

October 18, 2012

## Fact Sheet: Oil from Canada

The United States imports 8.9 million barrels of crude oil a day to help meet its energy needs. Canada is the largest supplier to the U.S., providing more than 2.2 million barrels a day – about 1/4 – of our imports. Canada has the third largest oil reserves in the world, with 174 billion barrels of oil within its borders, almost all of which 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 and Economic Growth

Studies by the Canadian Energy Research Institute (CERI) found that U.S. jobs supported by Canadian oil sands development could grow from about 57,000 jobs today to 600,000 jobs by 2035 given sufficient pipeline capacity.

At least 2,400 American companies from 49 states are involved in the development of oil sands either in Canada or at American refinery or pipeline expansions. A variety of US 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 could add over \$560 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 may help reduce U.S. reliance on energy resources from elsewhere. Moreover, expanding our cross-boarder infrastructure would give Americans access to a stable source of supply during time of supply disruption. While the U.S. is expanding 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. China has been actively seeking energy resources from around the globe including Canada.

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

A recent poll conducted by Harris Interactive that API released found that 75 percent of American voters support building the Keystone XL pipeline, with only 19 opposed. Additionally, a Washington Post poll showed that 82 percent of voters believe that the Keystone pipeline would create a significant number of jobs. 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.