

# Beyond Borders

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The most outspoken champion of the Rocky Mountain Corridor is Paul Michael Wihbey, president of Washington-based Global Water & Energy Strategy Team (GWEST). "North America unquestionably has the necessary energy resource base, above all in the West, and their development on a very large scale is economically feasible at today's oil and gas prices," says the veteran energy consultant. But he adds a more radical proposition: Energy liquids from western states and provinces should also flow to China, providing the basis for a long-term, stable energy alliance.

GWEST's concept is a vision, not a plan. Details of capital deployment, labour availability, steel supply and so forth have yet to be compiled. Given those limiting factors, most analysts conclude that North America will not and probably cannot achieve self-sufficiency in oil and gas, let alone generate a surplus for China. In Wihbey's view, however, those challenges could be met through a determined effort by government and industry. "The hydrocarbons are in the ground," he asserts. "The question is whether North Americans have the vision and political will to do what can be done."

The Washington-based consultant does acknowledge that his vision would take decades to fulfill. "On the other hand, we already know from the oilsands what can be

in the twenty-first century."

In 2006, the United States consumed 20.6 million barrels of crude daily, but produced just 6.9 million barrels. Many voices have stressed the dangers of depending on exporting nations whose political stability and good will cannot be guaranteed. Also, paying for foreign oil is an immense burden. "Over time, people have become accustomed to these risks but they remain dangerous nonetheless," Wihbey warns. "There's simply no good reason for not developing domestic oil and gas production now that it can be achieved within current market prices for energy."

For 2006, the U.S. Department of Commerce reported a national net trade deficit in goods and services of \$759 billion, versus \$104 billion in 1996. Petroleum drained \$271 billion from the national economy last year, China \$233 billion. But China too faces a serious weakness. "Due to geology, the Chinese lack an adequate inventory of domestic oil prospects," Wihbey says. "In response, they are scouring the planet for secure sources of future supply. And a great deal of that supply could come from the Rocky Mountain Corridor."

Total world consumption grew to 83.7 million barrels per day in 2006 from 71.5 million in 1996, and demand continues to strengthen. "Energy and water are the two

fundamental constraints on increasing prosperity," Wihbey says, "For poorer societies, an abundant, affordable energy supply is especially vital. The Middle East's oil will be needed by Europe, India and others. In my view, North Americans have a responsibility to develop their own hydrocarbon resources rather than intensifying the competition for the world's

available export supply."

Born in Massachusetts and raised in Montreal, Wihbey studied at Concordia and McGill. Under former prime minister Pierre Trudeau, the dual citizen served as Quebec vice-president of the Liberal



Paul Michael Wihbey (left) confers with Zheng Hu (right), vice-president of China National Petroleum Corporation.

Party of Canada. His consulting career has focused on water resources in the Middle East as well as petroleum in West Africa and the West. GWEST's public and private client list includes the U.S. National Commission on Energy Policy, the Congressional Black Caucus Foundation, and the governments of Alberta and Saskatchewan.

Last November, Wihbey was a keynote speaker at the first World Heavy Oil Conference in Beijing, hosted by China National Petroleum Corporation and the Alberta government. North America and China have no inherent points of religious or racial antagonism, he points out, nor historically disputed frontiers. "These countries are already solid trade partners, and the Chinese have a trillion American dollars available for investment due to their trade surpluses. Canada and Alberta are not bit players in this scenario – in fact, they could play a key role in helping foster a trans-Pacific energy alliance."

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accomplished if we work together. Imagine the economic benefits if that effort was multiplied several times over across the West. And that's really just the beginning. If North America does ally itself fully with China in energy development, I believe the Rocky Mountain Corridor could become the most important axis of the global economy