

Socio-Economic Impact
Assessment Review:

*Albian Sands Energy Inc.
Muskeg River Mine Expansion*

*Prepared for:
The Fort McKay Industry Relations Corporation*

*By:
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1.0 Introduction

1.1 Overview

The Fort McKay Industry Relations Corporation (IRC) commissioned a review of the Albian Sands Muskeg River Mine Expansion Socio-Economic Impact Assessment (SEIA) and consultation and traditional land use sections of the EIA. As part of this review, Shipley Management Services reviewed the above documents, contacted Shell Canada and Albian Sands personnel and examined the relationship between Albian/Shell and Fort McKay.

This SEIA raises important and significant issues that need public sector attentions. Fort McKay commends Shell and Albian on stating the role they are willing to play in the region.

1.2 Assessment Review

Key deficiencies in the SEIA are as follows:

Incomplete Terms of Reference

The SEIA does not entirely follow its prescribed Terms of Reference as it relates to the SEIA.

Lack of Analysis about Regional Initiatives

As did other recent SEIAs, this SEIA fails to provide regulators with information about issues, barriers and success relating to regional initiatives designed to enhance Aboriginal peoples' participation in the benefits of oil sands development.

The remainder of this report will detail these deficiencies.

2.0 Non-adherence to the Terms of Reference

2.1 Overview

To date, regulators have ignored the Terms of Reference deficiencies Fort McKay has identified in other SEIAs.

2.2 Assessment Review

This review identified deficiencies in the Terms of Reference: The component of the Terms of Reference on the left-hand side of the following table is taken from the Volume 2, Appendix 2-1, and Table 1 of the EIA. The Appendix is entitled Final Terms of Reference Cross-Referenced to Application.

2.3 Key Concerns

Terms of Reference	Findings
Socio-Economic Factors	
Provide information on the socio-economic effects of the Expansion. Discuss the following:	
<i>The selection of the Study Area(s), information sources and assessment methods.</i>	We note that the Figure 7.7.1 entitled <u>Socio-Economic Study Area</u> sets the north end of the Study Area just north of the Shell Jackpine Mine Phase 1. However, page 7-214 states the Study Area includes Fort Chipewyan. Therefore, it is unclear whether the proponent includes Fort Chipewyan in the study area. The information sources and assessment methods are included.
<i>The number and distribution of people who may be affected by the proposal.</i>	This information is included.
<i>The social impacts of the Expansion on the Study Area(s) and on Alberta including:</i> <ul style="list-style-type: none"> • <i>Local employment & training;</i> • <i>Local procurement;</i> • <i>Population changes;</i> • <i>Demands on local services and infrastructure;</i> • <i>Regional and provincial economic benefits;</i> • <i>Trapping, hunting, and fishing; and</i> • <i>Effects on First Nations and Metis e.g. traditional land use and culture.</i> 	These matters will be discussed throughout this review. We have identified deficiencies that we ask be addressed.
<i>The economic impacts of the Expansion on the Study Area(s) and on Alberta, having regard for capital, labour and other</i>	This information is included.

Terms of Reference	Findings
<p><i>operating costs and revenue from services. In addition, discuss Albion's policies and programs respecting the use of local, Alberta, and other Canadian and non-Canadian industrial benefits from project management/engineering; equipment and materials; construction labour and total overall project.</i></p>	
<p><i>The employment and business development opportunities the expansion may create for First Nations, Metis, local communities and the region. Provide a breakdown of the type of employment and number of employees with respect to the construction and operational workforce. Identify the source of the labour for the proposed Expansion.</i></p>	<p>The SEIA lacks information about business development opportunities for Fort McKay. However, a joint business development plan is in place between Albion Sands and Fort McKay. Based on Albion Sands' record of accomplishment in working with Fort McKay to develop business opportunities, this lack of information is not an issue for Fort McKay unless the change in Oil Sands leadership at the corporate level changes existing policies and practices that are detrimental to business development opportunities related to this Expansion.</p> <p>The SEIA provides employment data. However, the SEIA does not provide adequate information about the source of labour, e.g. actions the proponent will take to attract Aboriginal participation in this Project.</p>
<p><i>Strategies to mitigate socio-economic concerns raised by the Regional Municipality of Wood Buffalo and other stakeholders in the region. Include a discussion on the potential impacts to housing availability and the social ramifications of that impact. Document the work with other industry partners and the Regional Municipality to continue use and development of the urban population prediction model developed for baseline socio-economic purposes and;</i></p>	<p>The SEIA does not offer a mitigation strategy for the Expansion's impact on regional housing conditions. Specifically, the impact on housing that the 630 permanent workers will have on this issue. Having dialogue and sharing information is important but is not a mitigative measure.</p>
<p>Impacts of the proposed Project on potential shortages of affordable housing and the quality of health care services. Identify and discuss the mitigation plans to address these issues. Provide a summary of any discussions that have taken place with the Municipality and the Regional Health Authority concerning potential housing shortages and health care services respectively.</p>	<p>Mitigation plans to address quality of health care are not discussed in any detail. For example, how will Albion address the issue of increased demand on the regional hospital's emergency room; does "basic medical services include doctors being available to construction crews 24/7; and how will Albion's contribution to the Northern Lights Health Foundation offset the impact the 630 permanent workers will have on the full spectrum of regional health services.</p> <p>See section above for issues related to the shortage of affordable housing.</p>

Terms of Reference	Findings
Public Consultation Requirements	
<i>Undertake a consultation program during the preparation of the EIA report including, but not limited to, the following stakeholders:</i>	
<ul style="list-style-type: none"> • <i>Residents in the RMWB;</i> • <i>Recognized land users in the LSA(s);</i> • <i>Local First Nations and Metis communities that may be directly affected by the Expansion;</i> • <i>Industrial, recreational, and environmental groups and individuals expressing a formal interest in the Project;</i> • <i>Federal, Alberta and Saskatchewan governments, and Alberta local municipalities;</i> • <i>Directly-affected communities outside of Alberta; and</i> • <i>Other operating or potential oil sands developers in the region.</i> 	<p>See next section.</p>
<i>Describe and document the public consultation program implemented within the EIA Study Area(s). Record any concerns or suggestions made by the public and demonstrate how these concerns have been addressed, or responded to. Discuss:</i>	
<ul style="list-style-type: none"> • <i>The type of information provided and the issues discussed, including those that have been resolved and those that remain outstanding;</i> • <i>In consideration of unresolved issues, the key alternatives which have been identified by Albian and stakeholders for future consultation as well as mechanisms and timelines for that resolution.</i> 	<p>Section 14, subsection 14.3, page 14-10-11 does not include issues raised about this Expansion by Fort McKay or a list of responses or mitigation measures to address the issues raised.</p> <p>Longer-term consultation between Fort McKay and Albian/Shell is not an issue for Fort McKay unless the change in Oil Sands leadership at the corporate level changes existing policies and practices that are detrimental to the effective consultation job Albian/Shell has done to date with Fort McKay.</p>

Terms of Reference	Findings
<ul style="list-style-type: none"> • <i>Plans to maintain and support the public consultation process following completion of the EIA review; and</i> • <i>Any agreements reached with stakeholder regarding Albian's operations and activities.</i> 	

2.4 Recommendations

1. Regulators must improve its consultation with Fort McKay in relation to its decisions around this issue. The Principle of The Government of Alberta's First Nation Consultation Policy on Land Management and Resource Development states: "Alberta will consult with First Nations where Land Management and Resource Development on provincial Crown land may infringe First Nation Rights and Traditional uses." Fort McKay believes that past decisions to omit its concerns relating to non-adherence to Terms of Reference of the Alberta Energy and Utilities Board flies in the face of the spirit of this Policy.
2. We request additional information from the Board as to why it does not include Fort McKay's concerns and issues in its Supplemental Information request. This non-inclusion suggests that the First Nation's concerns are not important or legitimate enough to have a proponent formally address them within the regulatory process; nor does it give regulators or the public the opportunity to assess a proponent's responses.

The remainder of this review will provide comments on the Public Consultation, SEIA and Traditional Knowledge and Land Use sections of the EIA.

3.0 Public Consultation

3.1 Overview

This section is complete except for the items cited in the next section.

3.2 Assessment Review

The Public Consultation section (Section 14) provides the necessary corporate documents that are necessary to provide direction to, and management of to a company's consultation and community engagement business. It also provides consultation commitments to Fort McKay.

3.3 Concerns & Credit Given

There is no reference in Section 14 as to the issues raised about this Expansion by Fort McKay residents.

Albian and Shell's consultation efforts with Fort McKay have been effective to date. Fort McKay requires assurance that the Consultation Principles, Good Neighbour Policy, Consultation Goals and Objectives, the Issues Management Approach and Consultation Process will continued under Shell Canada Oil Sands' new executive management. Fort McKay believes that the effective consultation and relationship management is in large part a reflection of leadership.

3.4 Recommendations

1. Shell Canada's Oil Sands Division should state that it intends to maintain its public consultation policies and practices as part this Expansion.
2. Shell Canada's Oil Sands Division should state formally its intent to maintain its current complement of stakeholder relations staff at complement at Shell Canada and Albian Sands.
3. Neil Camarta's replacement needs to give formal indication that he will attend future consultation events regarding this project in Fort McKay. These events should include but not be limited to Elders meetings, open houses, and meetings with Chief and Council. Fort McKay will consider his presence indicative of his commitment to maintain current policies and practices.
4. Shell/Albian should respond to the list of concerns cited herein in the Supplemental Information Responses (SIR).

Socio-Economic Impact Assessment

4.0 Scope & Approach of the SEIA (7.7.1.2)

4.1 Overview

This section is well done with one or two exceptions.

4.2 Assessment Review

The SEIA gives a good overview of the issues faced by First Nation and Metis peoples. As development increases, social impacts increase and each project contributes to these impacts. Various sections of the SEIA cite many of region's social issues and the proponent is clear about the issues it is willing to address. Fort McKay agrees with the proponent that governments also have a responsibility to address social issues. Fort McKay believes that non-government agencies are also responsible for addressing social issues. As well, individuals are responsible for mitigating issues they can control e.g. personal behaviour.

4.3 Concerns & Credit Given

In all previous SEIA reviews Fort McKay has undertaken in 2005, there has been a lack of information about the social impacts of development on Fort McKay. The SEIAs have also lacked demographic data including population changes; migration to Fort McMurray and the impacts of migration patterns on Fort McKay and its membership; labour force statistics; income statistics, etc. The SEIAs have also lack an assessment of current programs and services that impact Fort McKay, e.g. effectiveness of regional educational programs.

4.4 Recommendations

1. A systematic approach to Aboriginal-related social issues is required in the region. It requires participation by those who have a stake in a particular issue. This may require a multi-sectoral approach or may involve one company working with one community on one issue.
2. Regulators must require the next Terms of Reference for an oil sands development to include a more complete analysis of issues faced by Fort McKay, along with inclusion of specific mitigation measures. Fort McKay believes it is irresponsible for regulators to accept analysis based primarily on the non-Aboriginal population of Fort McMurray. Oil sands development affects Aboriginal peoples; therefore their social conditions must be identified and analyzed with the same rigor afforded Fort McMurray. Regulators' lack of follow up to this issue is unacceptable to Fort McKay.

5.0 Socio-Economic Setting (7.7.3)

5.1 Overview

The section identifies the key components of the current socio-economic setting in the Athabasca Oil Sands region.

5.2 Assessment Overview

Fort McKay congratulates the proponent on including sections on traditional land use and evolution of the wage economy in this section, rather than relegating this information to the TLU or Historical Resource sections.

5.3 Concerns and Credit Given

It would be beneficial if the proponent agreed to cite the successes and challenges relating to regional cooperation. For example, those involved have provided considerable resources to the ATC All Parties Core Agreement and its programs; yet current statistics show no Fort McKay residents currently enrolled in the Aboriginal Skills and Employment Partnership Program, which flowed out of the ATC Agreement. There are likely a myriad of reasons for no enrollment, but barriers and reasons should be provided as part of SEIAs. Secondly, unless barriers are identified they cannot be addressed, effectiveness of regional initiatives improved, and return on investment realized. The SEIA's role in identifying issues and offering mitigative responses will become even more critical if the Long-Term Benefits Agreement is signed.

5.4 Recommendation

Shell/Albian has been a leader in development and management of regional initiatives and so Fort McKay is reluctant to request the proponent take the lead in assessing the effectiveness of regional social initiatives. However, this matter requires a champion; one who will at least be willing to identify an appropriate process, criteria for success and a set of outcomes for a project that would evaluate the effectiveness of the regional social initiatives involving the Metis, First Nations and Industry.

6.0 Overview of Socio-Economic Situation (7.7.4)

6.1 Overview

This section accurately describes the current socio-economic issues.

6.2 Assessment Review

Fort McKay agrees with the section's findings relating to the need for coordinated planning among human service providers, the challenges faced by Aboriginal peoples, and the need for a specific focus on Wood Buffalo.

6.3 Concerns and Credit Given

The emphasis on mitigation to date has been on infrastructure improvements and Fort McKay is pleased with these advancements. However, the same emphasis has not been on the delivery of social services most often provided by not-for-profit and Aboriginal social agencies who are struggling under the weight of too much work; an inability to attract and retain qualified employees; and a lack of resources to maintain and enhance quality services.

On page 7-233 Albian has cited nine mitigative measures that are acceptable to Fort McKay.

6.4 Recommendations

1. Fort McKay supports Albian's recommendation that the Province should create an entity with a Wood Buffalo focus. However, this agency must be lead and managed by people who live in the region. This means its formation must start and be driven by local

participation including local and regional decision makers, services providers, and service recipients. It cannot be designed and managed by Edmonton-based government staff and its consultants who design the process in isolation; choose the participants and write the report. The local approach has the following benefits:

- Enhances the accuracy, identification and prioritization of issues.
 - Enhances the probability that recommendations will garner local and regional support.
 - Enhances probability that the right people will be involved.
 - Enhance ownership of recommendations.
2. Such an agency must have appropriate, qualified Aboriginal people involved and consider an Aboriginal-specific component to the process, if so desired by local Aboriginal groups.

7.0 Employment Effects (7.7.5)

7.1 Overview

This section of the SEIA needs more information about Albian Sand's Aboriginal hiring practices.

7.2 Assessment Review

The SEIA list an on-site workforce of nearly 3,000 workers (Figure 7.7.2, page 7-234). It states that its operations workforce will be approximately 630 people (page 7-236) The SEIA also states that Albian's role is "to enhance the positive effects of the development: the creation of wealth in the form of employment income..." (Page 7-232)

7.3 Concerns & Credit Given

Albian Sands and Fort McKay have a Joint Business Development Agreement in place. This agreement has been successful to date and aids in increasing employment in Fort McKay. However, Fort McKay requests that Albian indicate its intention to include this Expansion in the Agreement.

Fort McKay has several concerns relating to employment.

1. There is inadequate information about Albian's employment plans to include Fort McKay members in the project's construction or operational phases.
2. The SEIA does not describe how Albian intends to work directly with Fort McKay to ensure the community can benefit from employment in the project.
3. The SEIA does not provide an analysis of barriers to employment in the region, including the community of Fort McKay, nor provides mitigative measures to address such barriers.
4. There is no indication of the soft employment skills that the proponent will require. Such skills include but are not exclusive to problem solving and teamwork. There is sometimes

an assumption that every person has workplace behaviour skills. That is not necessarily the case in relation to some of the residents of Fort McKay.

5. As cited in the review of the Socio-Economic Setting section, there is a need for an evaluation of existing Aboriginal-focused regional employment initiatives so that all parties can assess a project's ability to deliver on its role "to enhance the positive effects of the development: the creation of wealth in the form of employment income..."

7.4 Recommendations:

Fort McKay requires additional information about how the company will manage Aboriginal employment and procurement opportunities as part of the SIR. Employment is a significant potential benefit to be derived from the expansion, and so concrete strategies need to be cited.

1. How Albion intends to work directly with Fort McKay to increase the number of community residents working directly for Albion Sands.
2. Fort McKay requests Albion provide information about its hiring practices, skills requirements and skill development initiatives, mentoring programs and career development opportunities for local Aboriginal peoples.
3. An analysis be undertaken to assess the effectiveness of all regional employment initiatives and to mitigate employment barriers, specific to Fort McKay.

8.0 Population Effects (7.7.6)

8.1 Overview

The impact of this Expansion and the cumulative impacts of development in general on the population of Fort McKay is incomplete.

8.2 Assessment Review

The SEIA cites the following pressures on the region's rural community population:

- A young population
- A mobile population

There are additional pressures caused by development, including the project's contribution to the region's population increase of 5,500. These are explained in the Concerns section below.

8.3 Concerns

Additional population increase impacts on Fort McKay include:

- Influx of non-Aboriginal people onto Fort McKay's traditional lands.
- Loss of traditional resources due to development
- Cost of living as impacted by development
- Migration of people to Fort McKay
- Migration of Metis people away from Fort McKay due to a lack of housing.

8.4 Recommendation:

1. The SEIA should include an analysis of project and regional impacts on Fort McKay. This assessment should include but not be limited to the project and cumulative impacts on:
 - Increase use of Fort McKay's traditional lands by non-Aboriginal people.
 - Loss of traditional resources due to development
 - Cost of living as impacted by development
 - Migration of Metis people away from Fort McKay
2. The SIR should include potential mitigation measures to address identified project and regional impacts and identify the parties who should be responsible for non-project specific mitigation measures.

9.0 Traditional Culture Effects (7.7.8)

9.1 Overview

This section is complete in its assessment of the history and issues and provides several mitigation strategies.

9.2 Assessment Overview

This section of the SEIA could provide additional mitigation measures to address the four current issues cited on page 7-247 and the four Planned Development Case issues.

The 10 initiatives cited on page 7-248 are appropriate.

9.3 Concerns and Credit Given

Albian Sands/Shell has demonstrated its willingness to "acknowledge, respect and support cultural diversity of work force and their communities." The proponent's specific support of Fort McKay culture is cited on page 7-248.

However, the reality is that the Expansion will destroy more of Fort McKay's traditional lands and therefore community members will lose the resources offered by the land.

Albian has been a leader in involving Fort McKay's traditional land users in the company's reclamation practices. It has used "Community Knowledge", "Shared Knowledge" and "Specific Knowledge" – all of which are categories of Traditional Knowledge. (*International Institute for Rural Reconstruction*)

Credit is given to Albian for their active participation in CEMA's TEK committee. However, there is a lack of information about this committee, including what it has or has not accomplished. This is important information, as it will indicate how well CEMA is integrating TEK into its work. This is an important indicator of CEMA's success. CEMA is an integral part of regulators reasoning for approving project after project. CEMA's TEK Committee is an integral part of CEMA, witnessed by

its status as standing committee. How can regulators assess the impacts of any project without an assessment of regional initiatives?

Credit should be given to Alban who chairs the Terrestrial Environmental Effects Monitoring (TEEM) committee and is championing the integration of TEK into the TEEM program.

9.4 Recommendations:

1. The SIR should include an analysis of the success and failings of CEMA's TEK Committee.
2. Alban Sands should commit to lend its expertise to regional access management efforts with regard to the east side corridor.

10.0 Housing Effects (7.7.9)

10.1 Overview

The analysis of the regional housing situation is accurate but incomplete.

10.2 Assessment Overview

This section does not provide a complete analysis of the housing conditions in Fort McKay; nor does it offer mitigation measures required to address the impact that this Expansion will have on regional housing issues, including the impacts on Fort McKay.

The proponent cites the following housing issues.

- Suitable accommodation for new residence to Fort McMurray;
- Affordable, comfortable homes for regional residents; and
- Ability to attract and retain employees.

10.3 Concerns

This section does not provide an adequate analysis of housing in Fort McKay. Industry has had a significant impact on housing in that community. These impacts should be analyzed. Some issues are:

- Increased cost of building materials due to the economic boom;
- Increased cost of tradespersons;
- Increased scarcity of tradespersons;
- The high cost of building and maintenance costs not offset by federal housing subsidies; and
- The high cost of rental property in Fort McMurray and impact to Fort McKay First Nation and Metis members who do not have high-paying jobs;

10.4 Recommendations

1. Separate from any specific SEIA or Application, Fort McKay requests regulators to do the community the courtesy of explaining why it does not require proper analysis of the social and economic conditions of, and impacts of development on, Fort McKay. The majority of

information and analysis involved Fort McMurray, yet the community of Fort McKay is only a few miles from this Expansion and in close proximity to all expansion.

2. Fort McKay notes that such an analysis is not required in the Terms of Reference for this Application(Fort McKay also requested that such an analysis be included for Fort McKay in comments on the draft Terms of Reference, which were submitted to regulators on December 23, 2004). Fort McKay requests regulators provide an explanation for this omission.

11.0 Education Effects (7.7.10)

11.1 Overview

The SEIA identifies key education issues in the area that must be addressed if rural students are to obtain the education that will allow them to take advantage of the economic benefits offered by oil sands development.

11.2 Assessment Review

The SEIA cited several issues relating to education in region. This review cites these additional issues:

1. A lack of information about the effectiveness of existing regional Aboriginal educational programs and services. Oil sands companies have sponsored many such programs, yet there is still a high drop out rate among Aboriginal students. Fort McKay asks, "Can these programs be enhanced or altered to decrease the drop-out rate?"
2. An assessment of current adult education programs is required. Again, much effort and resources have been allotted to these programs. Previous SIEA have referenced their existence, as if to say, "All is right."

11.3 Concerns and Credit Given

Albian has provided important resources to support formal and in-formal educational initiatives in Fort McKay. They are effective programs; and Albian seeks continuously to enhance them.

Additional Fort McKay-specific educational issues to those cited in the SEIA are as follows:

- Funding conditions;
- Infrastructure costs;
- Staff recruitment and retention;
- Effectiveness of adult education programs and barriers of same; and
- Issues relating to making the transition from Fort McKay to Fort McMurray.

11.4 Recommendations

1. The Athabasca Tribal Council All Parties Agreement commission an objective review of the Agreement's success and failures in enhancing the education for Aboriginal peoples.

2. Albian cite existing studies that speak to educational issues and barriers faced by Aboriginal people and include the data and information in the SIR.

**12.0 Social Services Effects (7.7.11)
Emergency Services (7.7.13)
Transportation Effects (7.7.14)**

12.1 Overview

The SEIA does not adequately discuss or provide mitigation for impacts caused by industrial work camps; does not provide a complete picture of policing issues; nor provides an analysis of the Expansion's impacts and cumulative impacts on Fort McKay's traditional lands.

12.2 Assessment Review

The SEIA does not indicate if the construction camp will be dry or wet or give the pros and cons of each approach. Such an explanation would assist Fort McKay assess and understand the benefits of each camp type.

The SEIA does not adequately describe or provide mitigation for safety and security issues caused by specific projects or their cumulative affects.

12.3 Concerns & Credit Given

We commend the proponent for citing the issues on pages 7-266 and 7-268. All too often, SEIAs ignore the social services issues.

Industrial Camp Issues:

A recent industry-sponsored study (Nichols Applied Management) showed that as 50% of camp workers drive to and from camp using their own vehicles. That represents up to 4,250 additional vehicles on the road.

Fort McKay commends Albian for providing busing services for its construction workers; however, we offer that busing is only a partial mitigative measure. In the same survey cited above, 73% of camp residents' survey said they use their vehicle to visit Fort McMurray; therefore, the busing option is not entirely effective in mitigating traffic issues caused by development.

The SEIA does not acknowledge or provide mitigation for the construction workers living in existing and makeshift campgrounds. While Fort McKay acknowledges Albian cannot manage the actions and behaviours of this group, we assert that these construction campers are a result of oil sands development, and so their existence and impacts have to be acknowledged and addressed in this SEIA.

The SEIA does not identify, quantify or mitigate the issues camp residents have on Fort McKay's traditional lands including:

- Increase potential of forest fires.

- Increase potential for illegal and legal hunting in the region.
- Increase safety concerns related to more and more people with firearms in the vast bush areas of the region.
- Potential sacred site destruction.

The SEIA does not provide adequate mitigation for the impact on health services of camp workers in the region. The 2003 camp resident survey conducted by Nichols Applied Management shows that camp residents use the emergency ward, dentists, chiropractors, physiotherapists, counselors, psychologists, and other service providers; as well as government employment services. The SEIA does not provide statistics relating to these usages.

The same survey states, "The impact of the camp residents on the emergency ward is disproportionate to their numbers." The survey further states, "...camp residents account for as high as 20% of emergency visits." Equating this to the 2004-2005 ER statistics cited above, camp residents used the regional ER 11,490 times during that period or 31.5 visits per day.

Finally, the Nichols survey appropriately addresses backcountry use. However, the SEIA does not address the issues associated with increased backcountry use. Traditional land use by non-Aboriginal people is a significant concern to Fort McKay due to safety, environmental damage and resource depletion.

The SEIA does not cite Albian's plans to restrict camp residents from fishing, hunting and driving recreational vehicles on traditional lands. This is a concern because the Nichols survey shows that 39% of camp visitors participated in hunting/fishing activities; 16% camped and 17% participated in off-road and snowmobiling activities. Add these statistics to the significant permanent population growth in the region, and one can reasonably assume that the increase in backcountry activities on Fort McKay's traditional land is and will be increasingly more troublesome.

Safety and Security Issues:

Safety and security issues are not being well managed in the region and the SEIA does not address all key issues related to policing, emergency services, traffic, etc.

The SEIA does not provide the following important statistics. They are offered herein so regulators better understand the region's safety and security issues.

- Impaired driving related complaints in 2004 numbered 266.
- Roadside suspensions related to impaired driving in 2004 was 279.
- Non-fatal accidents on Highway 63 north of Fort McMurray increased from 26 in 2002 to 82 in first 11 months of 2004.
- Non-fatal accidents on Highway 63 south of Fort McMurray increased from 74 in 2002 to 137 in first 11 months of 2004.

- Non-fatal accidents within Fort McMurray city limits increased from 40 in 2002 to 190 in the first 11 months of 2004.
- There were 24 collisions on bridges crossing the Athabasca River from January to November, 2004.
- In 2004, the RCMP received 20,793 traffic related complaints related to the areas between Wandering River and the north end of Highway 63.
- In 2004 for the same section of Highway 63, there were 2,266 vehicle incidents resulting in damage greater than \$1000.
- In 2004, for the same section of Highway 63 there were 17,729 traffic violations.
- From January 2001 to March 2005 there have been 154 fatalities on this section Highway 63.

Some key issues that need to be acknowledged and mitigated are:

- The need of the municipality to use its funding to augment rural policing services at its expense (as of November, 2004, these positions were not funded by the Province as is suppose to be the case.)
- Data related to growth provided by RIWG is frequently conservative.
- There is a need for timely information and data sharing about development plans so the RCMP can plan for growing needs. RCMP gets front-end problems such as a need for increased policing for during construction of projects via the increase volume and problems in camps; increased traffic and traffic accidents, more crime at camps.
- Specific impacts of oil sands development as cited by the local RCMP are:
 - More traffic accidents
 - Drugs and related problems
 - Prostitution
 - Increase in Vandalism
 - Opening up of roads, cut lines, etc. means more people are using Fort McKay's traditional lands for recreation. If there are incidents that require RMCP resources, because of the distances to travel, finding the location or person in the bush, many resources are used up.

- The Province looks only at actual population when assigning funds for policing and does not include the shadow population in industrial camps.
- Increase possibility of drug wars in the region.
- Not all traffic incidences are reflected in crime stats. Example: If there is a fatal accident, which the RCMP has to investigate it may take 5 members 18 hours each to do the investigative work. If no charges are laid, this work is not reflected in the region's crime stats but still eats up valuable human resources.
- As of November 2004, policing was not on the Province's agenda. Therefore, the policing issues in the Fort McMurray region are not getting the appropriate amount of attention from the Province despite its high caseload due to the oil sands boom.

12. 4 Recommendations

1. Albian should sign an Enhanced Policing Agreement as describe previously in this review.
2. Albian should have their bussing contractor install speed control boxes on buses under contract to monitor the bus's speed to ensure the speed limit is adhered to.
3. Albian should conduct safety checks at the entrance of the Albian camp and other camps that may house workers associated with Albian's activities. The purpose of which is to check drivers leaving and entering camp sites who might be operating vehicles under the influence, in possession of illegal substances, and/or traveling with opened alcohol in the vehicle.
4. Earmark the company's contribution to the health authority's foundation to offset the pressures on health and other social services caused by industrial development.
5. Support Fort McKay's desire to control access on its traditional land. This support should take the form of:
 - a. Participating in a lease-specific access management plan and supporting the development of an access management plan for the east side corridor.
 - b. Encourage the government to support Fort McKay's ability to carry out traditional activities and not have resources depleted by excessive hunting, fishing and recreational use (e.g., having increased number of government census surveys to determine accurate regional population numbers; re-evaluation of hunting and fishing license allocations given the decreasing land-base; spatial allocation of outfitters; and increased policing of poaching).
 - c. Implement a policy that bans camp residents from carrying firearms will living in camp.

- d. Sponsor a community-based forest watch program to augment the limited resources the Alberta government has to monitor backcountry use.
- e. Investigate best practices in co-management of backcountry activities and support Fort McKay to have these implemented on Fort McKay's traditional lands.

3.11 Summary

This SEIA is in many ways an improvement over recent SEIAs in that it lays out many of the social issues ignored in previous SEIAs. Albian's willingness to include its corporate policies and principles is also commendable. Thirdly, the SEIA takes a position with respect to public and private responsibility and clearly describes what the company is willing to do and not to do.

As well, Fort McKay commends Albian on its:

- Consultation practices;
- Efforts to maintain and grow relationships;
- Its demonstrated leadership in the region;
- Its willingness to consider community engagement as a core part of its business; and
- The effectiveness of its initiatives undertaken in partnership with Fort McKay.

Areas in which the SEIA is deficient are:

1. It lacks information about how it will enhance employment opportunities for Fort McKay residents directly with Albian.
2. It lacks analysis of regional programs and services, e.g. education and health.
3. It does not address how it will address the Expansion's impact on housing beyond the construction phase.
4. It lacks information and mitigation plans relating to safety and security issues caused by or exacerbated by this Expansion.
5. It lacks assessment and information about the Expansion's impact on Fort McKay's traditional lands.

Fort McKay also expresses concern that issues raised repeatedly are ignored by regulators, including, the need for proper assessment of conditions in Fort McKay; information about the effectiveness of regional programs and services and the inability of the regulatory process to deal effectively with cumulative social and economic issue.

3.12 SEIA Summary Table

Number	Fort McKay Concern	Recommendation	Category
1.	Terms of Reference incomplete	The proponent should address the deficiencies in the Terms of Reference. Regulators should improve its consultation with Fort McKay concerning its approach and decisions around the community's socio-economic concerns.	Regulatory
2.	Change in leaders within Shell Canada's Oil Sands Division.	Formal indication that current policies and practices will not change because of new leadership.	Regulatory, Agreement
3.	Concerns raised herein be put on the public record. Cite concerns raised	Provide responses to concerns raised in the SIR.	Regulatory
	Lack of information and analysis about the cumulative and Expansion-specific social impacts on Fort McKay and on regional services Fort McKay residents use.	Implementation of a systematic approach to address social issues that is designed and managed locally and have an Aboriginal component if desired.	Regulatory
4.	Lack of information about the successes and failures of regional initiatives cited as mitigation initiatives.	An objective assessment required.	Response, Agreement
5.	Lack of direct employment at Albion by Fort McKay residents.	Albian work directly with Fort McKay to develop a plan to increase employment; and provide its employment policy and practices. An analysis required to assess effectiveness of employment initiatives and to mitigate barriers to employment.	Agreement Response, Agreement
6.	Impact of increased regional population on Fort McKay.	SEIA should expand its analysis of this issue and findings included in SIR.	Regulatory
7.	This Expansion's impact and the cumulative impacts on Fort McKay's traditional land.	Analysis of successes and failings of CEMA's TEK Committee.	Response

Number	Fort McKay Concern	Recommendation	Category
		Albian to participate in regional access management efforts.	Agreement
8.	The SEIA does not provide statistics or analysis of the issues, current situation or cumulative impacts on housing in Fort McKay.	Conduct analysis prior to Application being deemed complete.	Regulatory
9.	Lack of analysis of barriers to education for Aboriginal peoples.	The ATC Agreement commission an objective review of the Agreement's successes and failures to enhance education for First Nation peoples. (This review assumes the barriers for the Metis peoples of Fort McKay will be similar.) Albian to cite existing studies that speak to the educational issues and barriers faced by Aboriginal peoples in the region and cite them in the SIR.	Agreement Response
10.	Safety and security issues in Fort McKay and region caused or exacerbated by development not fully analyzed in the SEIA and is not being adequately addressed in the region.	Provide additional analysis of impacts based on issue and statistics provided in this report. Albian to sign an Enhanced Policing Agreement to deal with Fort McKay area safety and security issues relating to development. Install speed control boxes on Diversified buses under contract to Albian. Conduct safety checks at the entrance of the Albian camp and other camps that may house workers associated with Albian activities.	Response Agreement Agreement Agreement

Number	Fort McKay Concern	Recommendation	Category
11.	Impacts of work force camps on Fort McKay and the region not fully identified or addressed in the SEIA.	More complete analysis of impacts and list of mitigative measures required.	Response