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EMPLOYMENT

Aboriginals will feel Kyoto pain, says CEO

LISA SCHMIDT
CALGARY HERALD

Aboriginal economic development spurred by northern Alberta's oilsands projects could be jeopardized by Ottawa's decision to ratify the Kyoto protocol, the head of the Canadian Mining Association said Tuesday.

Jim Carter, association chairman and chief operating officer of Syncrude Canada Ltd., said economic spinoffs to native groups may be threatened if oilsands producers scale back investment under the controversial accord to curb greenhouse gas emissions.

"It has the potential to have a real impact on the full development capability of the oilsands, as we know it today," Carter said following a speech at Resource Expo 2002, a conference promoting aboriginal resource development.

"It obviously does impact the benefit that could be provided to the people that live there."

Under the Kyoto accord, Canada must cut emissions of carbon dioxide and other gases, blamed for causing global warming, to six per cent below 1990 levels within a decade.

Oilsands projects — big emitters of those gases — worry they'll bear the brunt of measure to implement the accord, raising costs in an already-expensive business.

The federal government is expected to ratify the accord next week, but has yet to issue the regulations needed to implement it.

That delay has angered many oilsands producers, who say the uncertainty has spooked investors.

Since the federal government announced this fall that it would ratify Kyoto, several companies — including Husky Energy Inc., TrueNorth Energy Corp. and Canadian Natural Resources Ltd. — have said they might delay or cease building large-scale oilsands developments in northern Alberta.

--Business--

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Syncrude is one of the largest industrial employers of aboriginals in North America and has several unique partnerships with native groups in the Fort McMurray region, Carter said.

"It won't have an impact on our current relationships and the trust that we've built up with the aboriginal community," he said.

But looking ahead, the future of overall oilsands development is clouded until the costs of implementing the accord become clear, Carter said.

"Nobody knows right now," he said.

"That's the thing that probably disturbs the oilsands developers more than anything on Kyoto, is that threat of uncertainty . . . impacts (us) being able to develop the resource to the fullest of our capabilities."

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