

The Year in Review

*By Robert Simpson, with files
from Alberta Chamber of
Resources*

ACR President, John Zahary welcomed the 170 people in attendance to the 69th Alberta Chamber of Resources Annual General Meeting. He noted that nearly all of the ACR members were present and that there was very strong representation from the provincial governments as well as research organizations.

Zahary also mentioned in his welcoming comments that the Alberta Chamber of Resources represents a broad spectrum of Alberta's resource activities and the services and supply sectors. ACR members employ over 70,000 people and generate over \$50 billion in revenue each year.

Thanks to volunteer efforts and financial support from the membership, the Chamber has accomplished a number of significant accomplishments. Zahary thanked the army of volunteers on all the ACR committees for their tireless work in promoting the Alberta Chamber of Resources and for helping make it recognized as a leading voice for the resource industries. "Through very generous support we are meeting the terms of ACR's mandate, namely: to provide leadership for the orderly and responsible development of Alberta's natural resources," said Zahary.

Brad Anderson, executive director of the Alberta Chamber of Resources provided a recap of the year's activities. "The attendance of such a large cross-section of member companies, delegations from the provincial government and research organizations is a testament of the important and increas-

ingly active role that the ACR plays in the orderly and responsible development of Alberta's Resources," said Anderson.

The past year was an exciting and successful year for the Alberta Chamber of Resources. ACR received national and international recognition for its work on integrated landscape management, the oil sands technology roadmap and for ACR's aboriginal program.

The ACR's membership remains strong, experienced growth in 2004 and ACR now has 172 member companies. The Association is financially strong, and continues to operate with a lean, agile and hard working staff. Looking back on 2004 the committed members of ACR tackled several important issues.

Integrated Landscape Management

The ACR's Integrated Landscape Management Program has made significant progress. Bob Demulder, the ACR ILM Program Manager, and his committee have successfully built cross sector relations to address landscape issues. In 2004, Bob initiated a number of significant activities including "stump and pump" meetings that brought together senior executives of forest and energy companies with the aim of opening the lines of communication and explore opportunities to cooperate and collaborate. Through this cross-sectorial collaboration, companies reviewed their existing processes, practices and policies to identify the impact they have on each other; issues such as timber damage collection, master



consent to withdrawal lands, seismic lines and road use agreements are discussed at these meetings.

It is through dialogue and collaborative efforts like the “stump and pump” meetings that the ILM has been successful at developing access management plans like the work completed on the Chungo area, which coordinated the activities of a number of energy and forestry companies, resulting in reducing the environmental footprint. Following the success of this plan, the ACR is now working on the Kakwa-Compton access management plan and is confident it will achieve equally impressive results.

During 2004, Bob has also significantly raised the profile of the Integrated Landscape Program. ACR’s ILM principles have found their way into provincial policy as well as department business plans. ACR has reached out to related service and consulting groups such as surveyors and landmen, and have increased the Associations profile both nationally and internationally.

The Alberta Chamber of Resources is currently in the process of expanding the funding support of this strategically important initiative. The ACR has enjoyed excellent success to date and, with member support, will continue to improve on this well into the future.

Mining Liability Management Program

Another ACR program, in cooperation with the Canadian Association of Petroleum Producers, that has made significant progress this year is the Mining Liability Management Program, headed up by Ray Hansen of Syncrude.

Ray Hansen’s committee has literally moved a mountain this year. The committee worked closely with the Provincial government on the Mining Liability Management Program to support sustainable development of mineable resources in Alberta and its application to the coal and oil sands industries. The

program adopts an asset to liability approach in assessing, managing and servicing reclamation costs of surface disturbance operations. It is built around the basic premise of the Alberta Orphan Well Program: that all surface disturbances from an operator’s coal or oil sands projects are liabilities and all future production from those projects is an asset.

The intent of the government is that this is initially applied to the coal and oil sands industries while government consults with other industrial sectors to assess its application to those sectors.

Ray Hansen and Andy Etmanski of Luscar have also been very busy working with the Canadian Association of Petroleum Producers and the Alberta Government to address the issue of contamination and long-term environmental liability. With them, ACR has addressed the concerns of its members and was very impressed with the close cooperation from the Deputy Minister of Energy, Ken Smith, and the Deputy Minister of the Environment at the time, Ron Hicks. Ray Hansen and Andy Etmanski will continue to serve on the Province’s Contamination Liability committee as it works through the implementation phases.

Oil Sands Technology Roadmap

In 2004, ACR completed the Oil Sands Technology Roadmap, and it quickly became one of the top references in the oil sands industry. Under the stewardship of Len Flint and Don Riva, work is currently underway by ACR’s government partners to update activities relating to future technology requirements as defined in the roadmap.

U.S. officials from the Department of Energy are also relying on the ACR document, given the increasing focus on the oil sands as a means to ensure continental security of supply.

During 2004, the Oil Sands Technology Roadmap was presented at

several conferences across North America, and there are now direct follow-up initiatives in Canada regarding long-term R&D needs in upgrading and recovery technology. There are also international initiatives including U.S. DOE and NRCan commencing joint interest meetings.

Len Flint has done a great job for ACR managing this roadmap and Len will continue to manage the project as required, while Don Riva of Deer Creek Energy has agreed to represent the ACR on future oil sands technology roadmap initiatives.

Climate Change

Climate Change was once again high on the ACR agenda in 2004 and Wishart Robson, who leads the ACR’s climate change committee, has had his work cut out for him. The big news in 2004 was Russian ratification of the Kyoto Accord. The Kyoto protocol came into force on February 16th, and Canada will be expected to live up to its commitment, which is a six per cent reduction from 1990 levels. The other big news is that mandatory reporting arrived in Alberta last October for facilities emitting over 100,000 tonnes of CO-2. By June 2005, there will be reporting requirements to the Government of Canada.

Given that the compliance date is only three years away, the committee’s main concern is that we still do not know what the rules will be. Therefore, fundamental things like carbon accounting systems cannot be developed. The ACR climate change committee will continue in 2005 and is closely watching the events, especially with regard to announcements coming from the federal government.

Water Committee

In 2004, the ARC struck a water committee to interact with the board of directors to ensure that the interests of the ACR membership in the development of policies,

strategies and activities relating to the efficient and sensible development and utilization of water were promoted. The Committee, chaired by Herb Wiebe of Northwest Hydraulic, submitted a position paper to the Provincial government on the use of water for enhanced oil recovery. In addition, the committee is working with Canada West Foundation on its water initiative; ACR has a seat (Judy Smith, Shell) on the Provincial Government's Water Advisory Council, and Judy Smith will be making a presentation to the ACR board in the near future. ACR also sits on the North Saskatchewan River Water Alliance Steering Committee.

Clean Air Strategies

Wayne Kenefick of Graymont represents the ACR on the Clean Air Strategic Alliance (CASA) group and reports that there were no controversial items in 2004. There is an upcoming workshop on the ecological effects and air quality tentatively scheduled for June 16, 2005 in Edmonton.

During 2004, CASA approved updated guidelines for Air Shed Zones and recommended Alberta Environment encourage industry to participate in air shed zones where appropriate and facilitate air shed zone formation among willing and interested parties. Air Shed Zones that are currently being formed or contemplated include: the Whitecourt-Swan Hills-Athabasca area, the Lakeland (Bonnyville-Cold Lake) area, Edmonton and the Bow Valley-Calgary area.

The Mining Industry Advisory Committee

The Mining Industry Advisory Committee to the School of Mining at the U of A, under Jim Carter's leadership for the past 13 years, continues to help expand the University of Alberta's mining program. It is now growing and is recognized as one of the best mining schools in North America.

Aboriginal Programs Project

Another successful program for ACR is the Aboriginal Programs Project headed up by Barrie Robb of EnCana. The Aboriginal Programs Project resulted in a compendium of best practices available to ACR members through the ACR website. This project recently received recognition from the Federal government as being one of the best of its types. Committee chair, Barrie Robb, as well as Doug Golosky, Dave Tuccaro and Brad Anderson, were invited to Washington DC to make a presentation before the World Bank to explain the Project and describe how this same approach might be used in other areas of the world where resource industries are working with aboriginal peoples.

Barrie's committee was instrumental on providing cross-sectoral perspectives to the provincial government on aboriginal consultation. The ACR sits on the Ministers Advisory Committee and the aboriginal guideline committee. The aboriginal committee held two very successful forums for ACR members in 2004. It is working towards updating the website, publishing parts of the study including the final report, as well as looking at engaging aboriginal leaders to get their views on ACR's program.

Education

Deb Robert has done excellent work for a number of years on ACR's education committee. Her role has been two fold for the Chamber—representing the ACR as Chair of the Community Careers Cooperative in the Fort McMurray region, and representing the ACR on the Advisory Committee for CAREERS: The Next Generation.

ACR sits on a number of curriculum advisory committees with Alberta Learning. Alex Gordon represents ACR on the overall K-12 curriculum review, Brad Anderson on the K-12 math committee and

Deb sits on several, including the Integrated Occupational Program. In fact, based on Deb's recommendations, the Integrated Occupational Program launched new program revisions this fall. IOP is programming for students with learning challenges due to lower than average IQ levels.

Deb is providing advice to the ACR executive on how to marry the education and workforce development committee's work.

Metallic Mining Regulatory Regime

The Metallic Mining Regulatory Regime headed up by Ron Laing of Lehigh Inland Cement, has also made significant progress in 2004.

The purpose of the committee is to develop mine regulations for metallic and industrial minerals, which will provide the regulatory control and framework for developing mineral properties, from advanced exploration through mining, processing and abandonment. Such regulations for the non-energy sector currently do not exist in Alberta.

The project began in February 2003, and has since progressed through a number of milestones, including an examination of the existing Acts and Regulations to accommodate a Mine-Reg, and establishing design principles, goals, objectives and contents of the proposed Mine-Reg. In addition, the committee has reviewed mining regulations of different countries and Canadian provinces to select and adopt suitable approaches for an Alberta Mine-Reg. Preliminary drafts have been produced based on two approaches: The Canadian Coal Conservation Act and the Newfoundland Mining Act.

Some additional regulatory models with different administrative structures and enforcement strategies are being developed for presentation to the working group for evaluation, and Alberta Environment is preparing a conceptual sin-

gle-regulator model for the 2005 meeting.

Forest Care Program

Angie Bates of Stantec Consulting represents the ACR on the Alberta Forest Products Association's Forest Care Program and she reports that recent discussions have focused mainly on the pressure from action groups for forest companies to obtain certification. The other item under discussion is the emerging Boreal Forest Campaign that seems to be gaining strength across the country. This campaign calls for the preservation of portions of the undisturbed forest and limitations on future developments.

To address these issues, a working group has been brought together to identify industry challenges and opportunities with the NGOs protesting boreal forestry practices.

Environmental Forums

Finally, Lynette Esak of Millennium EMS has continued to provide us with a stimulating series of environmental forum in 2004. The ACR covered highlights of Lynette's 2004 environmental forum at the semi-annual meeting. The ACR is pleased that Lynette is developing a new series for 2005.

ACR Strategic Plan

John Zahary explained that the ACR Board of Directors and Executive had just completed a new strategic plan for the Chamber. Mr. Zahary introduced the elements of the plan including ACR's vision, mission, shared values and strategic goals. During 2004, it was decided that ACR should have a look at the strategic plan. During 2001, a great deal of work was done on the strategic plan, so ACR thought it was important to lever off that work and update the strategic plan. A group of ACR executives and directors spent some time looking at the organization, the current environment, and the objectives of the organization to see

where the ACR could be active and play a role in the next three to five years. The strategy was then brought back to the full Board for its approval.

The mission, vision and shared values, remained largely the same as in 2001. John Zahary identified five strategic goals that included the goals from the last strategic plan that were reorganized and introduced, and some new areas where the ACR has an opportunity to play a key role in the years ahead:

- Resource Management Integration
- Government Relations
- Communication & Consultation
- Workforce Development
- Research and Development

This updated strategic plan will help to focus ACR's efforts on areas of importance in the period ahead.

ACR Industry Chair in Mining Engineering

Dr. Clayton Deutsch is a Professor in the School of Mining and Petroleum Engineering, Department of Civil & Environmental Engineering at the University of Alberta. He holds the Alberta Chamber of Resources Industry Chair in Mining Engineering and the Canada Research Chair in Natural Resources Uncertainty Characterization. He teaches and conducts research into better ways to model heterogeneity and uncertainty in petroleum reservoirs and mineral deposits.

Dr. Deutsch outlined his team's research into theoretical and applied geostatistics and how it is critical to all aspects of natural Resources uncertainty management. Dr. Deutsch develops powerful numerical algorithms for making optimal decisions in the face of uncertainty. These tools can be applied to mineral deposits, petroleum reservoirs, carbon inventories and forests. Through the ACR, Chair Dr. Deutsch is able to have nine active Ph.D. and M.Sc. students working with him. He

described how his research was used to check the results from 60 new wells drilled last winter near Fort McMurray.

ACR/NSERC Chair in Integrated Landscape Management and the ACR ILM Program

Dr. Stan Boutin has worked on boreal forest ecology and management for over 25 years. He has been a Professor in Biological Sciences at University of Alberta since 1986. He also has spent two years working for Alberta-Pacific Forest Industries Inc. as Director of Research.

Dr. Boutin outlined his team's work on cooperative research ventures in developing sustainable land management strategies and practices in Alberta's boreal forest. Dr. Boutin described the science behind the Integrated Landscape Management program. The overall objective of the research is to develop best practices to reduce the size, duration and intensity of the footprint from industrial activity through co-planning of activities. The co-planning of activities is aided by science-based decisions made possible by this research.

Dr. Boutin described the trade offs between ecosystem function and industrial activity and how the triple E approach is running into severe limitations.

Mr. Bob Demulder, ILM Program Manager, discussed the ILM program, which is focused on using science and research to understand the impact of development on the forest ecosystem and building cross-sectoral business relationships to reduce the footprints on the landscape.

Bob Demulder discussed the business challenge and the ILM strategy. Bob indicated that Phase one of the ILM strategy or the "mechanics" phase has many examples of success. For example, in one area of Alberta 10,000 ha of forested land was not impacted that otherwise would have before

ILM. This is equivalent to one year of harvest for forestry companies. On co-planning roads, the total savings between the energy sector and forestry sector were \$55 million. Phase two of ILM is building a broad resource industry understanding and knowledge of cumulative effects and current land governance systems and polices that guide them.

Workforce Development Committee

The Workforce Development Committee — one of ACR's key new initiatives — is to facilitate the development of a cross-sectoral Workforce Development Roadmap to ensure sufficient numbers of skilled workers are available to meet the needs of ACR member companies.

Mr. Roger Thomas chairs the workforce committee and is currently President and CEO of Nexen Inc's Canadian Oil & Gas Division. He has been in this position since January 1998. Active in industry and community Associations, Mr. Thomas is a Director of the Canadian Chamber of Commerce, a Director in the Alberta Chamber of Resources and a Governor of the Canadian Association of Petroleum Producers (CAPP). Currently, he occupies the position of Vice President with the Alberta Chamber of Resources as well as Chair of the Canadian Association of Petroleum Producers.

ACR Director Slate for 2005

John Zahary read the nominations from the Director Nominating Committee report. The following names were brought forward:

- Gordon Finlay, General Manager, Mining Services, Finning (Canada) Ltd.
- Wayne Isaacs, President & CEO, BHP Billiton Diamonds Inc.
- Andrea Kubik, Manager, Oil Sands Development, EnCana Corporation
- Dermot Lane, Director, Public & Environmental Affairs, Elk Valley

Coal Corporation

- Richard Neufeld, Partner, Fraser Milner Casgrain, LLP
- Howard Ratti, Senior Vice President, Luscar Ltd
- Don Riva, Vice President, Mining, Deer Creek Energy Limited
- Tim Ryan, Vice President, Alberta Timberlands, Ainsworth Lumber Co. Ltd.
- Ron Tenove, Director, Corporate Development, The Focus Corporation Ltd.
- Dave Tuccaro, President, Tuccaro Inc. Group of Companies

New Ministers Panel Session

There is increasing government interest in developing cross-ministry policies in energy, environment and sustainable development. Alberta's new ministers addressed this and other initiatives.

- **Minister of Energy** - Honorable Greg Melchin
- **Minister of Environment** - Honorable Guy Boutillier
- **Minister of Sustainable Resource Development** - Honorable David Coultts

Lunch & Keynote Address - The Global Energy Scene and Canada's Important Role - *Tim Hearn, Chairman, President and CEO, Imperial Oil*

On January 1, 2002, Mr. Hearn assumed the position of President of Imperial Oil Limited and, on April 23, 2002, was appointed Chairman, President and Chief Executive Officer. Mr. Hearn is a member of the Board of Directors of The Conference Board of Canada and the C.D. Howe Institute, and is a member of the Canadian Council of Chief Executives. He co-chairs a multi-year, fund-raising campaign for the University of Alberta and was a cabinet member of the United Way of Greater Toronto for 2004.

Mr. Hearn discussed the future of Alberta as a source of energy for Canada, North America and, in a broad sense, the world. He outlined where we stand today, the outlook

for the future and what is required in order to move ahead.

Presentation to Retiring Directors

It takes a lot of time, effort and expense to be a director of the Alberta Chamber of Resources. The membership very much appreciates the corporate and individual contribution that ACR's retiring directors have made on ACR's behalf.

The Alberta Chamber of Resources is unique in that ACR's membership is broad and represents many industrial sectors. ACR is fortunate to have individual directors that work across industry divisions and, together, create more than anyone could do individually.

John Zahary called the following 2004 retiring directors forward:

- Andy Clark (Clark Builders)
- Bryan Gould (Shell Canada)
- Deb Robert (Keyano College)
- Gareth Crandell (Purvin & Gertz)
- Howard Lutley (Norwest Mining Engineering)

With Howard's recent move to UTS Energy, Joe Aiello from Norwest is now serving as a director

- Junichi Matsumoto (Japan Canada Oil Sands)
- Vic Walls (Border Paving)
- Francis Saville (Fraser Milner Casgrain)

Francis has served as a director for nine years and made a very valuable contribution to the ACR in a number of different areas. Among those contributions, Fraser Milner has been ACR's generous host for meetings in Calgary for a number of years.

- Bill Hunter (Northern Opportunities Facilitations Inc.)

Bill is well known to many through his efforts at ACR and elsewhere. Bill has been involved with the ACR for a number of years and served as the President before Art Meyer. His tremendous leadership to ACR and a number of its major projects were incredibly important, as was his mentorship to Brad Anderson and John Zahary. ■