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The Oil Sands Survey

Albertans' Values Regarding Oil Sands Development

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Survey Objectives and Methodology:

Cambridge Strategies Inc. (CSI) (www.cambridgestrategies.com) and the Policy Channel (www.policychannel.com) have recently completed the Oil Sands Survey. This project was aimed at getting a better understanding of the values that determine what is most important to Albertans regarding the development of their oil sands.

We designed and conducted this survey, in conjunction with Tim Glowa of Houston, Texas (formerly of Calgary, Alberta) who is an expert on conjoint survey techniques and analysis. The intent of the survey was to provide information and insight for political decision makers and the oil sands industry so that they can better serve the needs, wants and aspirations of Albertans, who are the owners of the oil sands resource.

We surveyed two anonymous groupings that in total provided 3464 individual completed surveys. The first survey group participated from October 17 to 22, 2007 and was composed of a pure random sample of 1303 on-line participants who were aligned with the Statistics Canada demographic profile of Albertans. The second group comprised self-selecting Albertans who came to the survey through a variety of channels. These included an e-mail push to a wide array of organizations and groups which distributed the survey, Facebook promotion, and the Policy Channel website. The second group was also approached through the personal, community and professional networks of various thought leaders and opinion makers and trendsetters (“Influentials”) and other engaged citizens. This phase of the survey ran between October 22 and December 6, 2007.

In both cases, the same survey instrument was used. Each used a conjoint trade-off approach requiring choices amongst the various scenario options. The choices made indicate the values of Albertans about how oil sands should be developed. All the surveys had attitudinal triple-bottom line questions as well as demographic questions. This report is based on the random sampling of 1303 Albertans who were all over the age of 18. In this group, 414 of the respondents were from Edmonton, 440 were from Calgary and 449 from rural Alberta. The results are statistically valid +/-3.0% nineteen times out of twenty.

The Survey Attributes:

CSI performed an extensive study of various government reports and consultation documents involving the oil sands in selecting the oil sands related attributes to be studied and compared. We chose eight highly relevant oil sands development attributes for the survey. In no particular order or priority the oil sands development attributes we focused on were:

- 1 Water use for habitat, community and industry needs;
- 2 CO2 capture as a proxy for Greenhouse Gas emissions;
- 3 Priority concern for land use policy;
- 4 The degree of concern for wildlife habitat protection;

- 5 The motivation behind the need for reclamation;
- 6 The priority value driver for development between industry, community and environmental needs;
- 7 The role of technology;
- 8 The policy priority for energy royalties.

The attitudinal questions related to how Albertans perceived how the oil sands were being managed on all 8 attributes. We also enquired about the responsibility for the oil sands industry, its importance to Alberta’s prosperity, perceptions on how well the government is doing in managing the province’s growth and which political leader was most trusted to responsibly manage Alberta’s growth.

We also asked participants to indicate what direction they thought their quality of life will head in the next two years. In addition, qualifying questions were posed to determine how many participants qualified as “Influentials.” Influentials are those people in society that are the respected reference points for the formation of opinions and beliefs for the remainder of the population. They are typically about the 10% of the population who are the most engaged and activist in their communities with large personal networks..

While the survey was anonymous, we did provide participants the opportunity to leave comments. The self-selecting non-random participants were given the chance to provide an email address if they wished to receive a report on the survey results. Engagement and interest in the survey was very high. For example, in the random sample 43% of the participants left comments. In the self-selecting sector, 48% of participants provide email addresses for follow up.

The Findings:

This report will deal with the results of the random sample of 1303 respondents because they are based on a more conventional scientific foundation. All eight attributes surveyed were considered as being important by the survey participants. There were two significant groupings of four attributes each. From the overall survey results, the ranking and relative importance of the various attributes around responsible and sustainable oil sands development is as follows:

The Top Four Attributes Driving Albertans’ Values:

#1	Protection of wildlife habitat concerns	18%
#2	CO2 Capture and GHG emission concerns	17%
Tied at #3	Use of Water and Reclamation Policy	14%

The Bottom Four Attributes Driving Albertans’ Values:

Tied at #5	The priority for Land Use and Royalty issues	10%
#7	The role and application of technological solutions	9%
#8	The determinants of the pace of oil sand development	7%

These results are what Albertans want to be the things that are important to the responsible and sustainable development of their oil sands relative to each other. The outcomes are pretty dramatic in that Albertans see the ecological issues of wildlife, Greenhouse Gases, water and reclamation being of very significant concern. These results indicate that serious issues and concerns in the minds of Albertans on responsible and sustainable oil sands development is the impact on the biosphere and the planet.

The lesser value driver issues of land use, an issue that is important but still emerging, and royalty concerns were front and centre in the media but are not a relatively dominant concern to Albertans. But these attributes, along with the economic and growth related concerns over the pace of oil sands development as well as the role of technology as a solution to social and ecological challenges were still significant. But they too were not nearly as much of a dominant value driver for Albertans as was the ecological values attributed to the future of oil sands development.

Albertans want a green priority and approach applied to the on going development of their oil sands much more than they want an economic growth priority and approach. Ecologically responsible and sustainable development is more important to the majority of Albertans than expanded growth through more projects or accelerated production levels. These are not mutually exclusive concerns but the key values Albertans are relating to about the future of oil sands development are predominantly ecological rather than economic.

Present Perceptions by Albertans of Oil Sands Management:

The conjoint results describe what Albertans want to see done and where the focus should be on oil sands development. This finding is all about determining Albertan's aspirations for their oil sands development and how they want that future to be.

Next we asked questions about how the participants perceived how the oil sands are currently being developed in the various attribute areas. These results are what Albertans believe to be the reality of oil sands development today:

Wildlife Habitat Protection - #1 Value Driver:

- 5% believe that there is **COMPLETE** wildlife habitat protection;
- 73% believe that there is **SOME** wildlife habitat protection;
- 22% believe that there is **NO** wildlife habitat protection.

CO2 Capture and Greenhouse Gas Emission Concerns - #2 Value Driver:

- 5% believe that there is **COMPLETE** CO2 capture;
- 61% believe that there is **SOME** CO2 capture;
- 34% believe that there is **NO** CO2 capture.

Water Usage in Oil Sands Development - #3 (Tied) Value Driver:

- 12% believe water usage is determined by needs to protect wildlife habitat;
- 73% believe water usage is determined by the needs of industry;
- 16% believe water usage is determined by needs of local communities.

The Pace of Land Reclamation in Oil Sands Development - #3(Tied) Value Driver:

- 10% believe that no land reclamation is taking place;
- 24% believe the reclamation pace is set to serve ecological needs;
- 66% believe the reclamation pace is set to serve industry needs;

The Policy Direction Determining Royalty Rates - #5(Tied) Value Driver:

- 10% believe the Royalty Regime is structured to benefit the public;
- 90% believe the Royalty Regime is structured to benefit industry.

The Land Use Policy Direction in Oil Sands Development – #5(Tied) Value Driver:

- 7% believe land use policy is to maximize conservation and preservation;
- 8% believe land use policy stresses conservation over economic growth;
- 63% believe land use policy stresses economic growth over conservation;
- 21% believe land use policy is to maximize economic growth.

The Role of Technology in Oil Sands Development - #7 Value Driver:

- 4% believe technology is focused on better environment outcomes;
- 56% believe technology is focused on industry and environment outcomes;
- 40% believe technology is focused on better industry outcomes.

The Most Significant Policy Drivers of Oil Sands Development - #8 Value Driver:

- 90% believe policy decisions on oil sand development are market driven;
- 6% believe policy decisions are driven by community capacity and well being;
- 4% believe policy decisions are driven by industry needs.

Perceptions of Government of Alberta Oil Sands Management:

In checking how informed our sample was of jurisdiction for managing Alberta’s natural

resources, we found a very knowledgeable sample. 76% identified the Government of Alberta as having jurisdiction over natural resources and only 8% believed the Government of Canada was in control. Interestingly, 13% believed that natural resource management was the responsibility of the oil industry in Alberta.

Some 87% of Albertans believe that the oil sands are an important part of Alberta's prosperity and only 11% felt it was neither important nor unimportant. The remaining 2% said the oil sands were not significant to Alberta's prosperity.

Some attitudinal questions resulted in a "bipolar" view of Albertans perceptions. When asked if the current government is responsibly managing Alberta's oil sands resources we found that 40% completely or somewhat agreed, 41% completely or somewhat disagreed and 19% neither agreed nor disagreed.

We found the same bipolar perceptions reality around opinions on the Government of Alberta's performance in managing growth. Here 43% completely or somewhat the GOA was doing a good job. Whereas 42% completely or somewhat felt the GOA was not doing a good job. There were 15% who neither agreed nor disagreed on this proposition.

Alberta's Future and Which Political Leaders Do They Trust:

We asked Albertans about where they saw their quality of life in the province going in the next two years. Only 4% believed it would improve dramatically. Another 24% were expecting some slight improvement. On the other hand 65% think their quality of life will remain the same (33%) or will worsen slightly (32%). There were 8% of Albertans who anticipate their quality of life to worsen dramatically in the next two years.

Finally we asked which of the current political party leaders Albertans trusted the most to responsibly manage Alberta's growth. The results are as follows:

Ed Stelmach (Progressive Conservative Party)	33%
Kevin Taft (Alberta Liberal Party)	11%
Brian Mason (New Democratic Party)	6%
George Reid (Green Party)	5%
Paul Hinman (Alliance Party)	2%
NONE OF THE ABOVE	43%

Conclusion:

Albertans are clear in what they aspire to in terms of oil sands development. They know it is very important to their future prosperity and they are very clear in that they want a green lens to trump any economic or growth dynamics. There are some perceptions of

misalignment between what is actually happening in oil sands development compared to the aspirations Albertans have for the development of their oil sands resources.

Albertans are in a state of flux and transition in their attitudes about how things are being handled around oil sands development. The “bipolar” almost equal distribution results on how well Albertans perceive that their interests are being served by government’s management of their resources and managing the growth are an indication that there is no clear Alberta consensus on these issues.

Finally, despite all the economic growth and wealth creation, Albertans are significantly less optimistic about improvements in their own prospects for quality of life improvements in the short term. As for whom do they see as most able to responsibly manage the growth in Alberta, no one leader or political party has a lock on the confidence of Albertans to do the job.

This, and the immediate prospects of an election where the future of the oil sands is potentially a ballot question that determines voter choices, we can expect more flux, volatility and uncertainty in Alberta’s politics and policy direction.