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Funds to help Fort McMurray region cope with wild oil-sands growth

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CALGARY, EDMONTON -- Alberta will inject \$396-million in emergency funding into health care, affordable housing and other services in the severely stressed oil-sands region of Fort McMurray, Premier Ed Stelmach announced yesterday.

The announcement was made in response to a government report released simultaneously that suggests the health system in the northeastern area of the province could "collapse" if new funds do not address wild growth.

The report included more than 50 recommendations to address the various forces hitting Fort McMurray, from "inadequate" housing to its tenuous supply of clean water, as the region buckles under a population that has nearly doubled in less than a decade.

About half of the new money is going to health care, including extra cash to nurses and other health workers so they can afford to live in Fort McMurray, which has the most expensive housing in Alberta. Money will also be spent on three new clinics. The cash will be doled out over three years.

"A significant infusion of resources," the report said, "is required to avoid further deterioration and possible collapse of the [health-care] system as growth continues in the area.

"Alberta Liberal Leader Kevin Taft said the government's plan for Fort McMurray is woefully inadequate.

"These are baby steps, but you aren't going to catch a galloping horse with baby steps," he said.

Alberta's projected surplus for 2006-2007, updated yesterday, is expected to be about \$7-billion, up from the \$4-billion predicted last year.

The oil-sands report was commissioned by the government last August, around the same time then-premier Ralph Klein admitted that "there wasn't a plan" for the building boom in the oil sands. Another report, expected in June, is supposed to assess the pace of development, which many critics, including former premier Peter Lougheed, consider out of control. Oil production in the region is expected to roughly

triple over the next decade if \$100-billion in planned spending occurs -- expansion that would also significantly increase greenhouse-gas emissions.

Last week, Mr. Stelmach said in a Calgary speech that "green politics are as much about emotion as they are about science." He also said this month that trying to slow oil-sands growth could be "devastating" to the economies of Canada in general and Alberta in particular. Yesterday, he said he wants to maintain Alberta's "investment climate."

Oil companies such as Husky Energy Inc. have complained Alberta hasn't done enough to support oil-sands development. But yesterday, industry was pleased. The new money "goes a long ways to address concerns that have been raised," said Greg Stringham, a vice-president at the Canadian Association of Petroleum Producers.

David Eggen, environment critic for the Alberta NDP, said the Alberta government, as well as the provincial Liberals, are " beholden to big oil" companies. The NDP wants a moratorium so a full review, including long-term environmental questions, can be conducted