

# Adam's Choice

A First Nation weighs the pros and cons of buying into the oil and gas industry.

By TADZIO RICHARDS

“We don't want our people to be living in poverty anymore.”

**Allan Adam,**  
*ACFN Chief*

**T**O UNDERSTAND WHY HE TOLD the press, in April 2018, that Alberta First Nations “want to be owners of a pipeline,” specifically the Trans Mountain Pipeline expansion (TMX), Chief Allan Adam of the Athabasca Chipewyan First Nation (ACFN) said you should think about fresh meat. You should visit the nation's new grocery store—the K'ai Tailé Market—in Fort Chipewyan, he told me. It opened in August 2018 and is the only store in the hamlet that offers fresh meat, flown in from Edmonton. That should “give you insight,” he said, into the pipeline proposal, and into why in September 2018 he signed an impact benefit agreement (IBA) on behalf of his nation with Teck Resources, which was then the proponent of a \$20.6-billion oil sands mine—the Frontier project. This would have been the largest of Alberta's oil sands projects, and the closest to

Chief Adam's home community of Fort Chipewyan, down the Athabasca River from the mine.

I met Chief Adam for an interview in Edmonton in late August 2019. Elected ACFN chief for the first time in 2007, he's won four band elections and consistently raised concerns, sometimes in court, about the negative impacts of oil sands development on treaty rights, climate change and public health—including allegations of a cancer cluster in Fort Chipewyan. That fight made him one of the most

recognizable people in Alberta. When Hollywood film director James Cameron visited the province in 2010, worried about the speed of bitumen extraction in northern Alberta, he met with the chief. Jane Fonda did the same. So did Leonardo DiCaprio and Neil Young. In 2014 Archbishop Desmond Tutu called the oil sands “the world's dirtiest oil,” and then later sat with Chief Adam at a press conference in Fort McMurray in which the South African Nobel Peace Prize laureate told Albertans that “only those who want to be blind can't see that we are sitting on a powder keg” in the oil sands.

At a restaurant in Edmonton, Chief Adam, now in his early 50s, looked much the same as in the news photos with celebrities. His long salt-and-pepper hair was tied back in a ponytail. He wore blue jeans and black sneakers. A long scar marks his right cheek and he speaks softly and calmly, with an intense, direct stare when making a point he wants you to hear.

“I'm not an environmentalist,” he says, right off the top. “Environmentalists take the view of ‘The view is beautiful, the view shouldn't be touched.’ I'm a hunter-gatherer. So I like the land a lot, sure, the beauty of the land. Will I destroy the land? No. But I hunt and gather food and I do that to provide for my family and to continue and carry on what I've been taught as a kid—and I love it; I love the way wild food tastes. But the fish is contaminated. The birds are contaminated. The moose is contaminated. The beavers, the rats [muskrats], the bears—every wild food we eat is contaminated. But we still eat it. That's why we had to adapt and try to make wise decisions.”

JASON FRANSON, CP





Top: Prime Minister Justin Trudeau meets with Chief Allan Adam and other First Nations leaders, April 2018.



L: Actor and activist Jane Fonda meets Adam in Edmonton, January 2017.



R: Suncor oil sands facility beside the Athabasca River.



Bottom: Singer Neil Young and Adam at an "Honour the Treaties" tour event in Toronto, January 2014.

CP/JASON FRANSON (TOP AND MIDDLE LEFT); CP/LARRY MACDOUGAL (MIDDLE RIGHT); CP/MARK BLINCH (BOTTOM)

**V**IEWED FROM THE OUTSIDE, Chief Adam's journey is ironic—a poster boy for oil and gas protest becomes an advocate for industry. That outside perception—that he's either on one side or the other—has brought him a barrage of criticism. In 2014, after Adam stood on a stage in Toronto with Neil Young, on a trip for which the ACFN received \$55,000 from Tides Canada, Ezra Levant and other staff at Rebel Media called the chief a "prop," and worse, for environmental groups. Four years later Chief Adam told CBC, "I am tired of fighting.... Let's move on and let's start building a pipeline and start moving the oil." In response, Eriel Deranger, an ACFN member who once worked for the band and is now executive director of Indigenous Climate Action—an NGO opposed to TMX—said Chief Adam and other pro-TMX First Nation leaders did "sell out." She added, though, that the real "betrayal" is from "a system that puts the rights of companies and industry above the rights of Indigenous peoples."

Chief Adam says his underlying values haven't changed. Downstream from the oil sands in Treaty 8, he says, "We see our food being contaminated. So we have to advocate, and say [to governments and industry], "You're f\*\*king up our food source here. What the hell's wrong with you?" The Canadian constitution legally requires governments to respect Aboriginal and treaty rights, he notes, so: "If we have to fight in the courts, well, we're doing it for a reason." At the same time, he says, "I'm not a radical.... I want to feed my family, like everybody else." The ACFN would prefer to "work together" with government and industry, he says, to strengthen environmental protections and grow the economy. It's for this reason that the ACFN supported the federal Liberal government's Bill C-69—which mandates broader environmental impact assessments—despite opposition from NDP and UCP governments in Alberta. "If we get this right, and I know it's the right approach," he says, "it's to the benefit of all Albertans. And Canadians will reap the benefits."

THE FINANCIAL SIDE OF THAT approach has attracted attention since Justin Trudeau's Liberal government announced it would buy TMX in May 2018. Three competing Indigenous-led bids to invest in the pipeline quickly emerged. The Iron Coalition, co-founded by Chief Adam, wants to purchase TMX and is offering First Nations and Métis communities in Alberta an "ownership interest" that would deliver profits back to the investing groups. Project Reconciliation wants to obtain a syndicated bond—a loan—of \$7.6-billion to buy 51 per cent of the pipeline project and use the eventual profits

to create a sovereign wealth fund for Indigenous communities in Alberta, BC and Saskatchewan. Farther west, the Western Indigenous Pipeline Group also wants to buy a majority stake for 55 bands along the pipeline route, mostly in BC.

The scale of these proposals is unusual, as is the idea of Indigenous ownership of Canadian oil and gas infrastructure. For most of oil sands history that was unheard of. The first large-scale commercial oil sands plant—Great Canadian Oil Sands Ltd.—opened in 1967 north of Fort McMurray. Through corporate merger it became Suncor in 1979, one year after the second behemoth oil sands plant, Syncrude, opened nearby. Today there are over 120 operating oil sands projects in northern Alberta. To date those projects have disturbed 895 km<sup>2</sup> of land, including 220 km<sup>2</sup> dedicated to toxic tailings ponds—an area about one-third the size of Edmonton. But the oil sands have also generated a bonanza of wealth, some of which has trickled to Indigenous communities in jobs and cash. As Sheila Innes, a Suncor executive responsible for aboriginal relations, said in a public talk in November 2019, "traditionally" the model for Indigenous involvement in the industry was through "long-term [impact] benefit agreements," and hiring "Indigenous employees [and] we would procure from their businesses."

That model produced various outcomes for Indigenous communities in the region. South of Fort McMurray, the primarily Métis community of Conklin is adjacent to Christina Lake, an oil sands project designed to produce 210,000 barrels of oil per day for Cenovus. Despite the proximity to wealth, Conklin's unemployment rate is four times higher than the broader Wood Buffalo region—a 2018 report found that roughly one-third of residents contend with "unstable living conditions."

Comparatively, the ACFN—a band government with about 1,200 members and eight reserves north of Fort McMurray by Lake Athabasca—have prospered financially. While they've brought international attention to downstream pollution and potential health impacts from oil sands development, the ACFN have also started businesses—integrated within their corporation, Acden—that provide everything from work camp catering to environmental consulting to engineering services for oil sands operators. Only a small portion of the profits comes to the band. But the ACFN have also signed IBAs—agreements outlining the financial benefits and, in some cases, environmental protections a First Nation will receive in exchange for their support of a development—with some oil sands operators. With that money they've started a trust, and Chief Adam says the ACFN now "have the capacity for self-government"—understood as financial self-sufficiency.

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“We’ve thrived from the oil sands,” he says. “We’ve thrived from the destruction. Our trust fund is well over \$60-million now. Our companies are doing well in the oil sands.”

They aren’t the only ones. In November 2017, in what industry news sites hailed as a “ground-breaking” deal, the Fort McKay First Nation and the Mikisew Cree Nation paid \$503-million to purchase a 49 per cent interest in Suncor’s East Tank Farm, a bitumen and diluent storage, blending and cooling facility for the Fort Hills mine. Suncor’s Sheila Innes said that with the energy industry downturn, the First Nations were “looking for a long-term, stable revenue source,” and the company was open to jointly owning the project with First Nations with whom they had a relationship. Because of Suncor’s involvement, the bond market gave the First Nations low interest rates on the loan, said Fort McKay Chief Jim

Boucher. He called it “a sweet deal.”

That “sweet deal” established the viability of an economic model where Indigenous people are owners, not just service providers in the energy industry. Politicians took notice. In November 2019 Alberta’s Minister of Energy, Sonya Savage, and Minister of Indigenous Relations, Rick Wilson, both spoke at the National Coalition of Chiefs Energy and Natural Resources Summit at the Grey Eagle Casino near Calgary. Chief Adam did not attend. But other speakers included researcher Vivian Krause on “anti-Canadian energy activism,” financier W. Brett Wilson promoting the “entrepreneurial mindset,” and Boucher, who told the gathered business and community leaders: “If you rely on government to pay your people, you will not be successful.”

In his speech, minister Wilson praised that message, touting the government’s Alberta Indigenous Opportunities Corporation (AIOC), a promise by the UCP to provide up to \$1-billion in loans and loan guarantees for Indigenous communities “to invest in natural resource projects and related infrastructure.” The minister did not mention that the UCP’s first budget cut Indigenous services by over 18 per cent, cut “climate change initiatives” from \$53-million to \$0, allocated only an initial \$6-million for the AIOC, and cut “science and monitoring” programs across Alberta by over 10 per cent. But he did say, “Indigenous peoples want to be involved in responsible resource development, which helps to dispel the dirty oil myth.... We need you at the table more than ever now.”

**F**EDERAL POLITICIANS ARE also keen on a new model of Indigenous “economic participation.” Back in April 2018, before the Liberal government bought TMX, Prime Minister Trudeau met Indigenous leaders in Fort McMurray. Chief Adam recalled that he and other chiefs at the meeting expressed interest in “purchasing the pipeline... And a month later [Trudeau] says, ‘We’re interested in you guys purchasing this pipeline.’”

“You’ve got to give it to Trudeau,” said Chief Adam, in our interview in Edmonton in 2019. “Albertans say Trudeau doesn’t care about Alberta. But he does. The guy is smart. He did what nobody else would do—he went and bought the pipeline. And he saved Alberta. Why? Because now the pipeline is state-owned—Canada’s going to build it.”

“First Nations [opposed to TMX] are going to send a big lawsuit,” he said. “It’s going to be overturned, and Canada’s going to move ahead with this pipeline. And we as First Nations have to either stand with Canada or stand against them.”

“I choose not to fight with the government at this time,” he said. “Instead of sitting on the outside, now we have an opportunity that we never had before.”

I asked—given that there are three different Indigenous-led bids to buy TMX—what he thought would happen: Would the ACFN stay with the Iron Coalition? Would the bids merge?

He smiled. The evening before we spoke, Chief Adam was at an ACFN annual general meeting. “There are so many opportunities out there now,” he told me. “The ACFN are not going to invest in TMX. I got that last night from our members. It doesn’t make sense to us. We have too much going on in our own region—there’s more than enough already. So, we’re going to be pulling out of the Iron Coalition. But we will still give our support.... Other First Nations need TMX more than I do.”

I asked why they would abandon what is potentially a long-term, stable source of revenue.

“Because I’m working on a deal for a refinery,” he said, citing plans and potential investment partners



*Top: Mikisew Cree guide Robert Grandjambe Sr. on Lake Athabasca.*

*Middle: ACFN Youth and Elders Lodge site near Fort Chipewyan.*

*Bottom: Grandjambe Sr. filleting a whitefish.*

for a new refinery near Edmonton. “The closer to the oil sands, the less environmental footprint it’ll have,” he said. “We don’t want our people to be living in poverty anymore.”

AS CHIEF ADAM SUGGESTED, I went to Fort Chipewyan to see the ACFN’s new store. Flying north from Fort McMurray, the nine-passenger Cessna 208 Grand Caravan soared above mines built near the Athabasca River—Syncrude’s Mildred Lake project; Shell’s Jackpine; Suncor’s Fort Hills—a mining district of enormous dark fields with smokestacks and tailings ponds in the wracked earth.

Mildred Lake is among the oil sands projects closest to Fort McMurray. In 2018 Syncrude applied to the Alberta Energy Regulator to expand the open pit mine onto land where Mikisew Cree, Fort McKay First Nation and ACFN band members hunt and harvest, exercising their treaty rights. All three bands agreed to speak against the expansion at the regulatory hearing, but only the ACFN showed up—the other two bands signed last-minute agreements with Syncrude. The AER then approved the expansion in July 2019, ruling that “potential impacts on Athabasca Chipewyan are not enough to outweigh the economic benefits... to Alberta.”

From Chief Adam’s perspective, those “potential impacts” include an elevated risk of cancer. Oil compounds seeping into the river, or rising in the

**ARCHIVE:**  
 Fort Chip and the Oil Sands  
 (Nov 2007)  
[albertaviews.ca/archive](http://albertaviews.ca/archive)

air from smokestacks and sifting down in rain and snow—"a continuous oil spill," as he puts it—were linked in a 2014 University of Manitoba study to "unusually high concentrations of contaminants [in] fish and animals consumed as part of a traditional diet" in Fort Chipewyan. But not all studies have found the same results. And citizen concern has not historically been enough to stop new oil sands approvals.

Teck's proposed Frontier project, for instance, was decreed "in the public interest" by a joint federal and provincial environmental review panel. The open pit mine was slated to produce 260,000 barrels of oil per day and disturb 292 km<sup>2</sup>, which would have made it the largest oil sands mine—and the closest to Fort Chipewyan. The panel's report, released in July 2019, found that impacts on "the asserted rights, use of lands and resources, and culture of Indigenous groups" would be "adverse and significant," "long term" and "irreversible." Despite this, 14 Indigenous communities, including the ACFN, signed IBAs with Teck.

"We could have fought with Teck," said Chief Adam when I asked why he signed. "We could have gone all the way through the hearing. But everybody else had an agreement with them. It looks very bleak going into a hearing when you have no support from other [First Nations]. We had to make a decision on what we're going to do—are we going to spend a million dollars and get nothing back? Because that's what a hearing costs us—a million dollars, legal fees and everything. And we were geared up for Teck. We were going to give it to them. But we had to weigh our options. I had to go back to the members, the elders first, and get consent to negotiate. And once they'd given the consent to go ahead, there was a lot of animosity, bad feelings. Some of our people didn't want to do it. I didn't want to do it. I wanted to fight. But when you're in a leadership role and you're given a mandate, you have to follow through on the mandate regardless of your own personal opinion. And that's what I did. I put aside my personal opinion and... we agreed to do it. It hurt some of my elders. I hurt my people by agreeing to this. But I'm just as hurt as they are. Those documents have my signature.... Do I want to sign something that's going to mess it all up? No. But I'll put my signature on something that gives hope. And when I say 'hope,' I mean we put stipulations in [the IBA] that protect the environment."

**A**TENUOUS TRUST IS EASILY shaken. The IBA model—Indigenous support of a project, in principle, in exchange for financial benefits and environmental guarantees—works



Top: The K'ai Tailé Market in Fort Chipewyan.

Bottom: K'ai Tailé office manager Julia Cardinal (left) inside the store with former ACFN elected band council member Michelle Voyageur.

only if federal and provincial governments fulfill regulatory and monitoring obligations. To that end, in December 2019 Chief Adam was in Ottawa, listening to Premier Jason Kenney urge the federal government to give final approval of the Teck Frontier mine—a project that would have emitted between 4 and 6 megatonnes of CO<sub>2</sub> a year, making it much tougher for the Liberal government to meet new federal targets of net-zero emissions by 2050. After Kenney's speech, Chief Adam talked to CBC journalist David Thurton, who reported "Adam said the Alberta government needs to satisfy fears about the loss of fish, bison and caribou habitat before the federal cabinet makes its decision on the mine at the end of February. Adam has threatened to take legal action if Alberta doesn't address those concerns."

On February 23 the UCP government announced an agreement with the ACFN on those environmental issues. But later that same day Teck withdrew its application, citing the lack of a coherent regulatory framework that "reconciles resource development and climate change" in Alberta and Canada.

Back in autumn 2019, a lack of trust was also palpable in Fort Chipewyan, where I got a boat ride on Lake Athabasca with Robert Grandjambe Sr.—a Mikisew Cree tourism operator, trapper and research assistant for scientists doing environmental monitoring and other studies. We caught whitefish and pike for his dog team. "My wife and I eat the fish and ducks," he said, when I asked. "Maybe we shouldn't. But we are anyway. It's a very foggy thing: Is the water safe to drink? Are the fish safe to eat? We don't know."

Founded in 1788 as a fur-trading post in the Peace-Athabasca delta, Fort Chipewyan is notable today for an abundance of ATVs, pickups and new buildings. In the community of 918 primarily ACFN, Mikisew Cree and Métis people, a big aquatic centre opened in 2017, next to a hockey arena that opened in 2009. A 7,500-panel, 2.6-MW solar project is under construction, funded by government grants including \$3.3-million from Alberta's carbon tax fund. While I was there, a government delegation—including Minister of Transportation Ric McIver, local UCP MLA Tany Yao, and Don Scott, mayor of the Regional Municipality of Wood Buffalo, which includes Fort Chipewyan—flew in for the ribbon-cutting ceremony on a completed \$37-million expansion of the water treatment plant. Few locals attended, and three hours after the delegation arrived,

they lifted off back to Fort McMurray.

"Companies and government give a lot of what you call 'shut up money' around here," said Grandjambe, when I asked why locals didn't attend. Staying away "is how people feel. It's not a united community."

Michelle Voyageur, a former ACFN band council member, was less scathing, but agreed with the sense of a complicated distrust. For instance, the ACFN "have had a really shitty relationship with Suncor," she said, as we walked to the band's new store. "There was a tank farm proposal that came across our table a couple years ago, and we said 'Heck no.' Other nations jumped into bed and joined and we were still 'No, no, no.'"

"It's so hard," she said. "I mean, the projects are going to get pushed through no matter what. That's the sad part."

From the street, K'ai Tailé Market resembles a large blue warehouse, with "Our Community Grocery" written prominently over the front doors. Inside, as it says, it's a grocery store, with fresh produce, a fresh-meat section, aisles of goods and a whole wall of freezer space. Colourful signage is written in Dene, Cree and English. Compared to the other store in the hamlet, the Northern, which sells cheaply made clothing and canned food at eye-popping prices, the K'ai Tailé Market is generously stocked, even a touch upscale in product choice, but generally less expensive.

I asked Voyageur if it was true the ACFN started the store because of community fears about local fish and meat contamination.

"It's true," she said. "A lot of people are fearful—they barely eat the fish anymore. Here at the store we have whole frozen fish brought in and they're flying off the shelf. People are buying more meat because they don't want to consume the wild animals."

Asked what could be done to get certainty about contamination levels, she said: "Well, there's been over 100 reports that don't show this and that. But we weren't involved. We asked—it's one of the 88 recommendations from the Jackpine hearing—we wanted a health study here in Fort Chip. Unfortunately it never happened. I don't know if it will. It's like it falls on deaf ears." ■

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