



KTIDS

Economic and Industrial Development Survey

Detailed Research Report
June 2007

Agenda

- Methodology
- Executive Summary of Results
- Section 1: Local Quality of Life & Economy
- Section 2: Economic Issues
- Section 3: Economic Development
- Section 4: Alcan
- Section 5: K.T. Industrial Development Society



Methodology

- **Survey Instrument**
 - 12-Minute Telephone Survey

- **Fielding Window**
 - May 9 to May 28, 2007

- **Scope**
 - 400 interviews total, including:
 - 200 in Kitimat
 - 200 in Terrace
 - 70 among Aboriginals



- **Statistical Reliability & Quota Regime**
 - Quotas employed to ensure representation and comparability between Kitimat and Terrace, and to ensure a minimum number of completes among the Aboriginal population was achieved.
 - However, Census & Town data (gender, age, population) used to statistically weight the data to ensure it accurately reflects the actual adult population of the Kitimat Terrace Valley.

Region	Sample Size	Margin of Error (19 Times out of 20)
Kitimat	200	±6.9%
Terrace	200	±6.9%
TOTAL	400	±4.9%





Executive Summary of Results

Executive Summary

Overall Discoveries

- Overall, the study reveals a moderately positive and optimistic community that is very supportive of current and new economic/industrial development initiatives.
- Indeed, there is a demand amongst the public for additional economic development initiatives.

Landscape

- The community is moderately positive and optimistic in their outlook on their personal finances, the region's economy, and their overall quality of life (in general and in comparison to other communities in British Columbia).



Executive Summary

■ Economic Development

- The public expresses strong support and demand for increased economic and industrial development initiatives in general, and across a variety of tested initiatives.
- There is little-to-no NIMBY potential across the tested initiatives/sectors... except for the oil/gas sector, which generates relatively intense minority opposition that may pose a problem for development in this area.
- There is strong and widespread support for Alcan and its current modernization/expansion proposal, largely due to the perception of the positive impact it will have upon jobs and economic stability in the region.



Executive Summary

■ KTIDS

- The Society records somewhat low awareness levels, but enjoys positive impression ratings among those who are aware.
- Low awareness is not an impediment for KTIDS activity; there is strong support for KTIDS' mandate and proposed initiatives.
- For example, a majority of residents strongly approve of KTIDS' partnership with Haisla and Alcan to build a break bulk port in Kitimat.
- Call to action: Although there is no consensus for KTIDS' top priority, moving forward with a combination of clean smelters in the valley, the break bulk port in Kitimat and mining activities would satisfy most residents.





Section 1

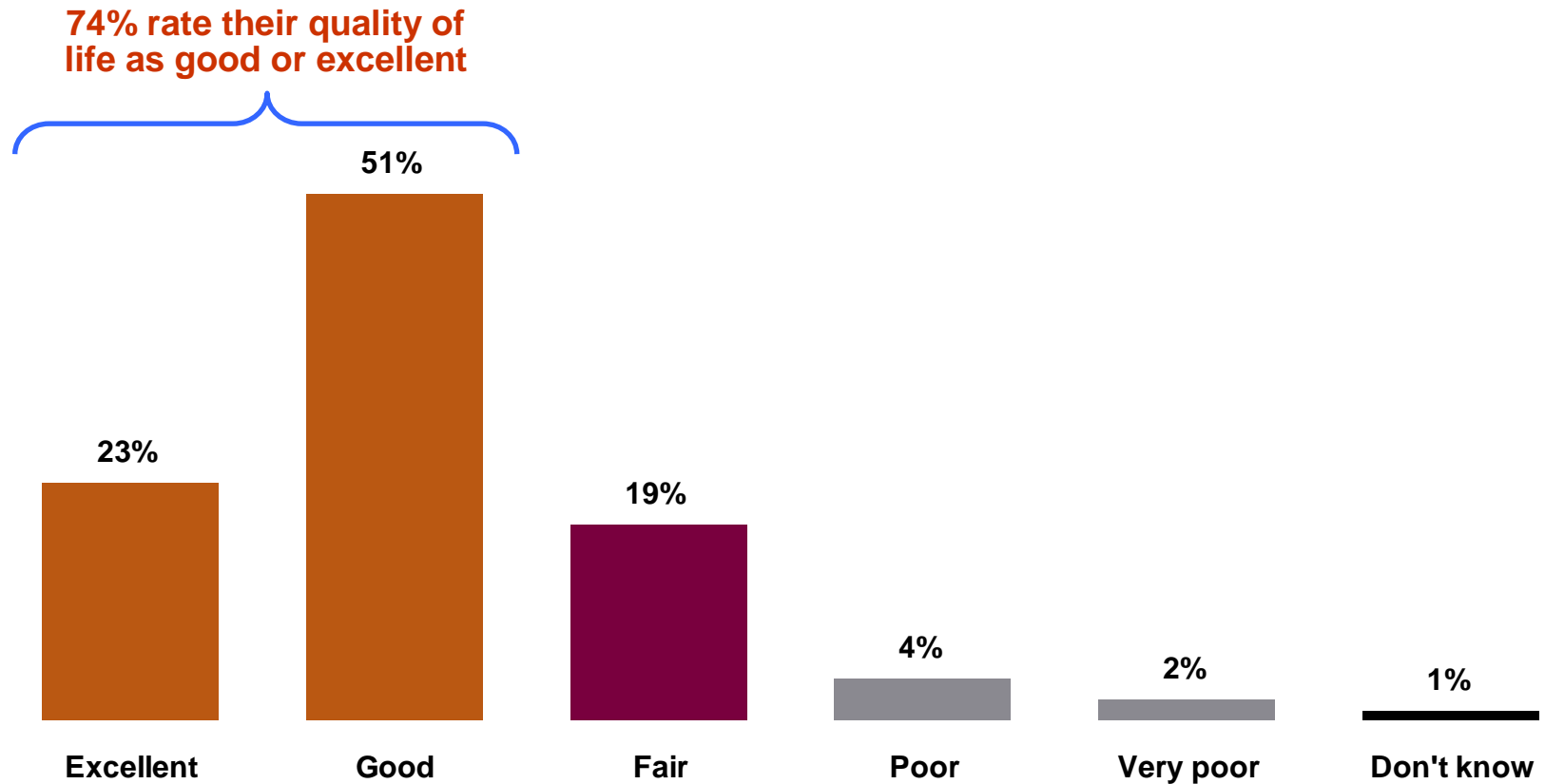
*Local Quality of Life & Economy:
Ratings, Comparisons and Trends*

Quality of Life:

Three quarters (74%) describe quality of life as good to excellent

AngusReidStrategies™

Residents aged 55 and over are most likely to rate their quality of life as good or excellent, at 84%.



A1. To begin, please tell me how you rate your quality of life in your local community? [n=400]

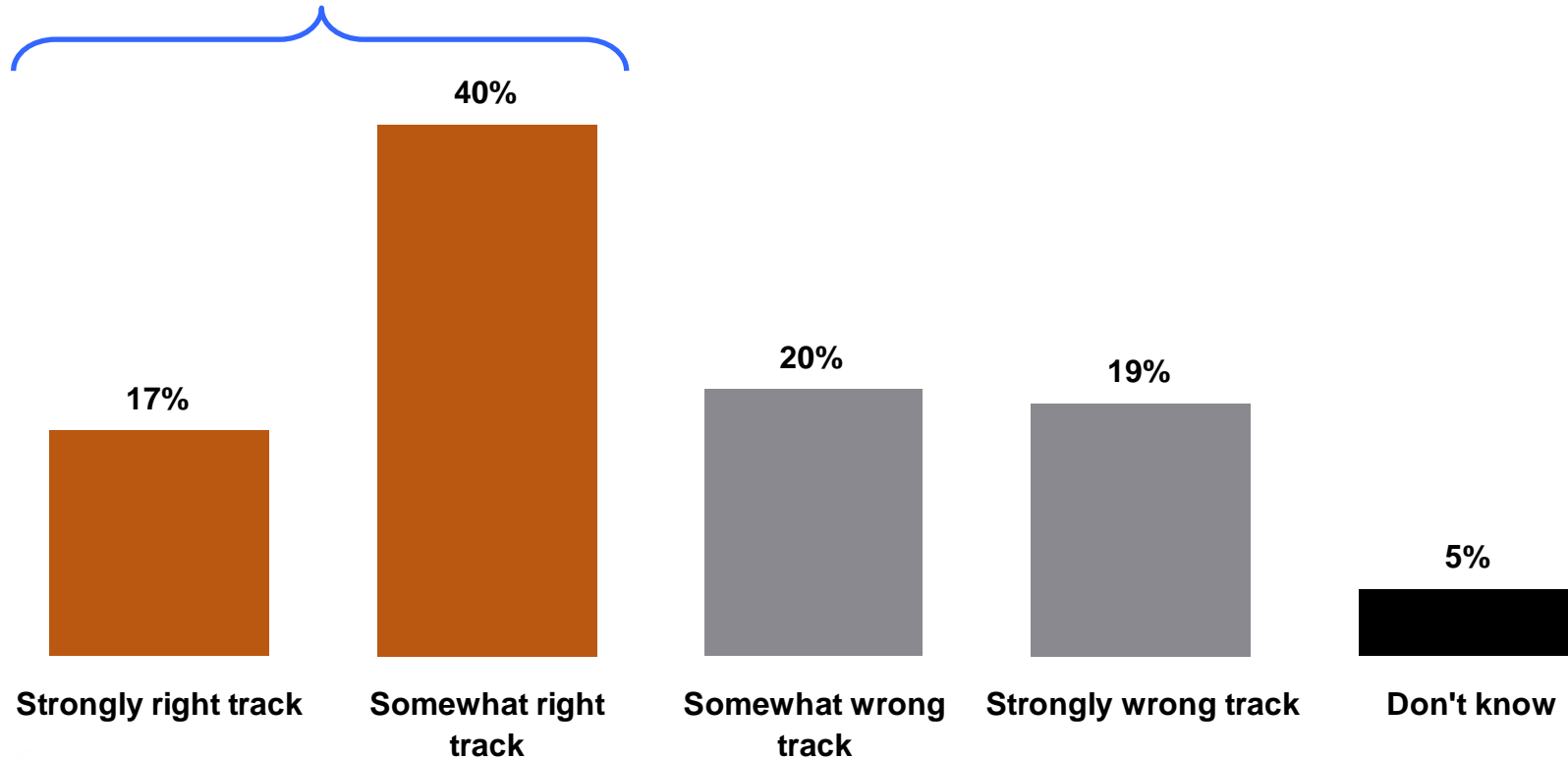
Direction of Region:

Majority (57%) say the economic future of the region is headed in the right direction, but only 17% feel strongly about that

AngusReidStrategies™

Residents of Terrace are more likely to believe the economic future of the region is headed in the right direction than residents of Kitimat (60% vs. 50%).

57% say region's economy is headed in right direction



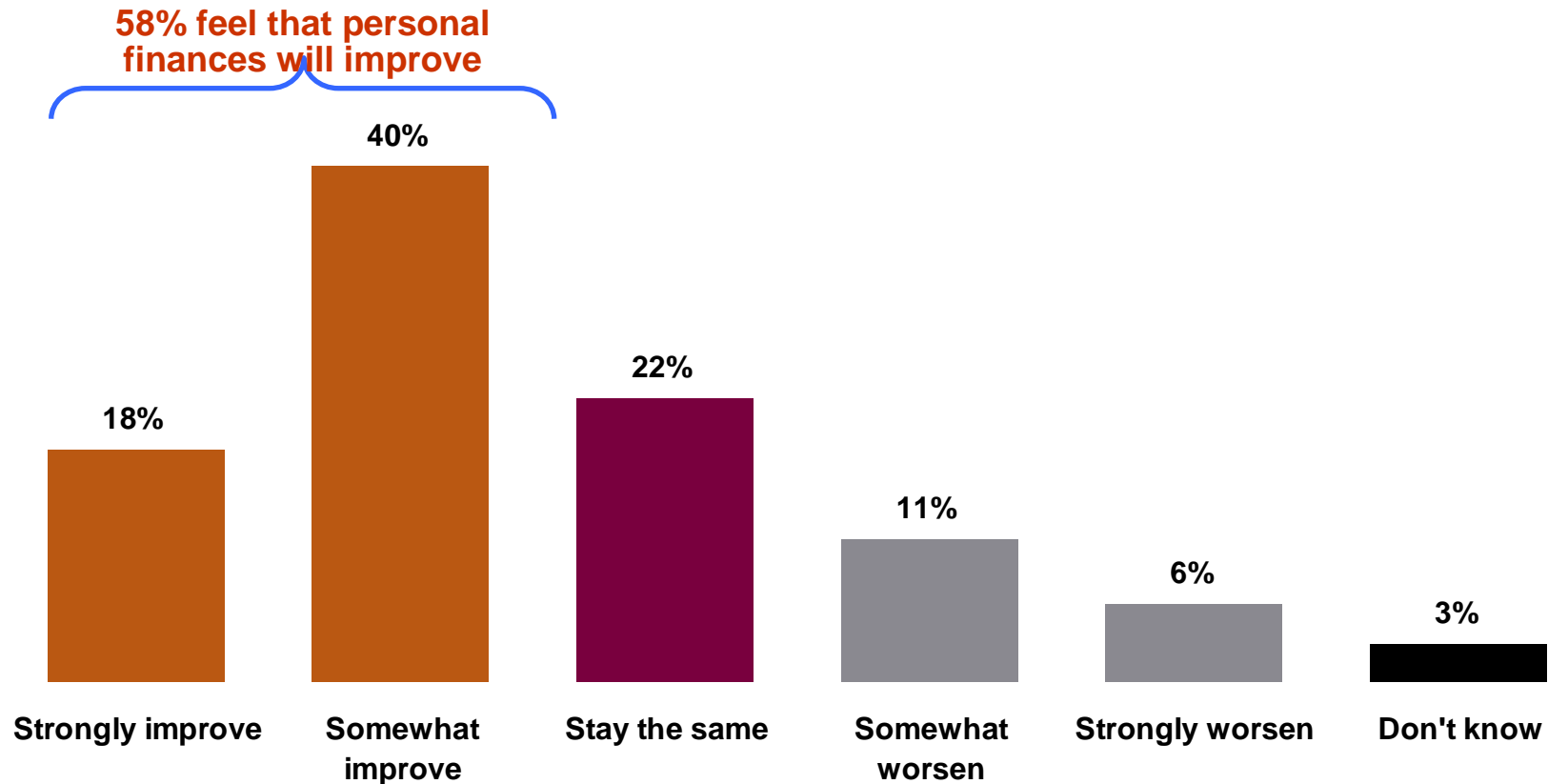
A3. Overall, how do you feel about the economic future of your region? Is it on the right track or wrong track? Is that strongly or somewhat right track or wrong track? [n=400]

Personal Financial Situation:

Most resident (58%) feel their family's personal financial standard will improve over next 12 months, but only 18% feel strongly about that

AngusReidStrategies™

Optimism is reserved for the young, as 70% of those 18-34 believe the personal finances of themselves and their immediate family will improve over the next 12 months, compared to 60% of those aged 35-54 and 38% of those aged 55 and over.



A3. Overall, how do you feel about the economic future of your region? Is it on the right track or wrong track? Is that strongly or somewhat right track or wrong track? [n=400]



Section 2

Economic Issues: Top-of-Mind, Prompted Awareness, Importance Ratings

Most Important Economic Challenges:

No consensus; Unemployment (23%), political environment (21%) and Alcan modernization/expansion (17%) chief among the region's economic concerns

AngusReidStrategies™

- The eight most important challenges to the economic growth and stability of the Kitimat Terrace Valley are:
 - Unemployment (23%)
 - Political environment (21%)
 - Alcan modernization/expansion (17%)
 - Underemployment (11%)
 - Attracting business/industry to the area (10%)
 - Bad local economy in general (8%)
 - Forestry/logging (7%)
 - School/education system (6%)

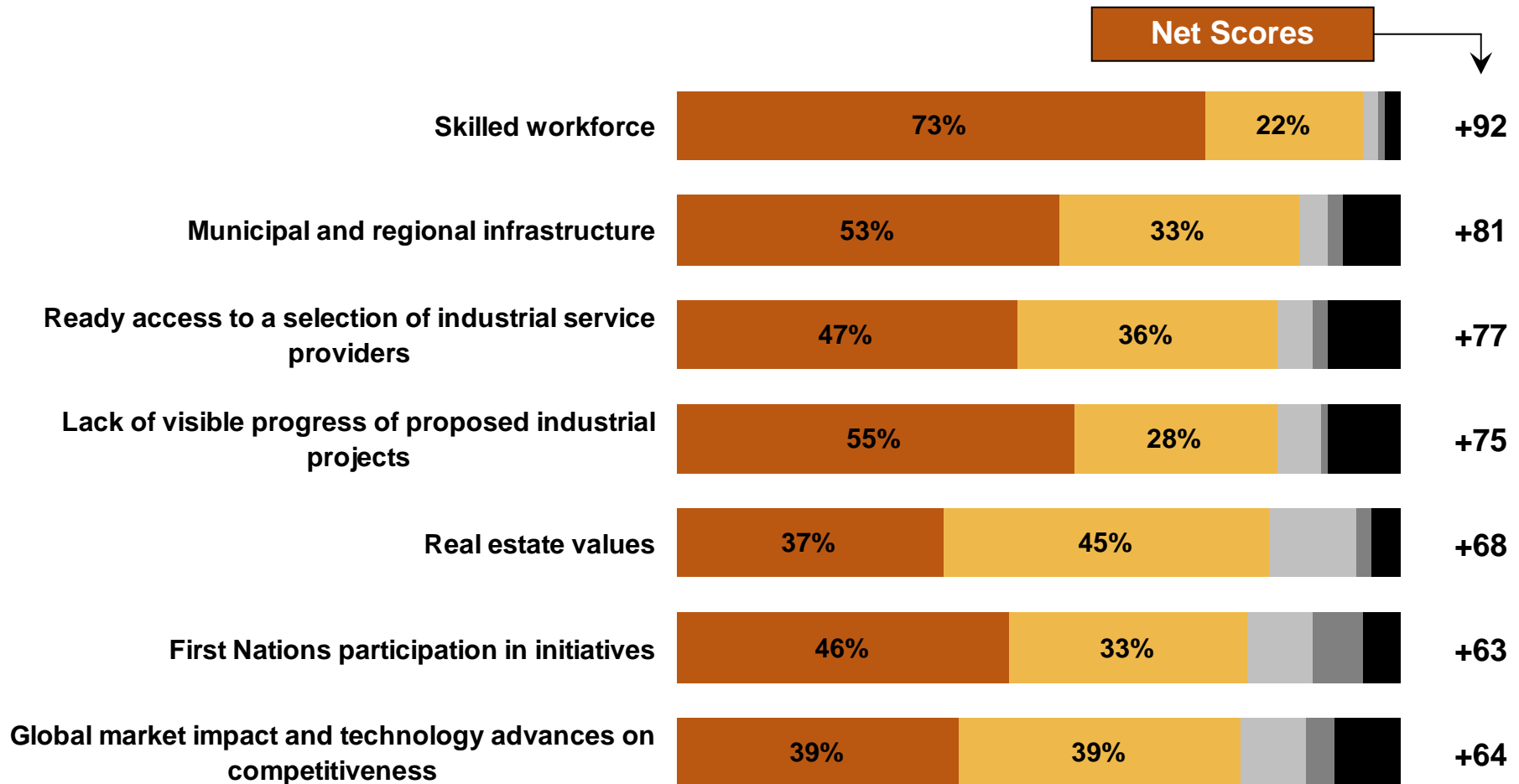


B1. Now, please tell me what you consider to be the most important challenges to the economic growth and stability in your local community?

Importance of Economic Issues:

Most important economic issue facing KTV: skilled workforce (95%)

AngusReidStrategies™



■ Very important
 ■ Somewhat important
 ■ Not very important
 ■ Not important at all
 ■ Unaware



B2. Now, I am going to read to you a number of economic issues facing your area. For each, please tell me if you feel it is very important, somewhat important, not very important, or not important at all to the future of your local economy. If you are unaware of any of these issues, just say so. [n=400]



Section 3

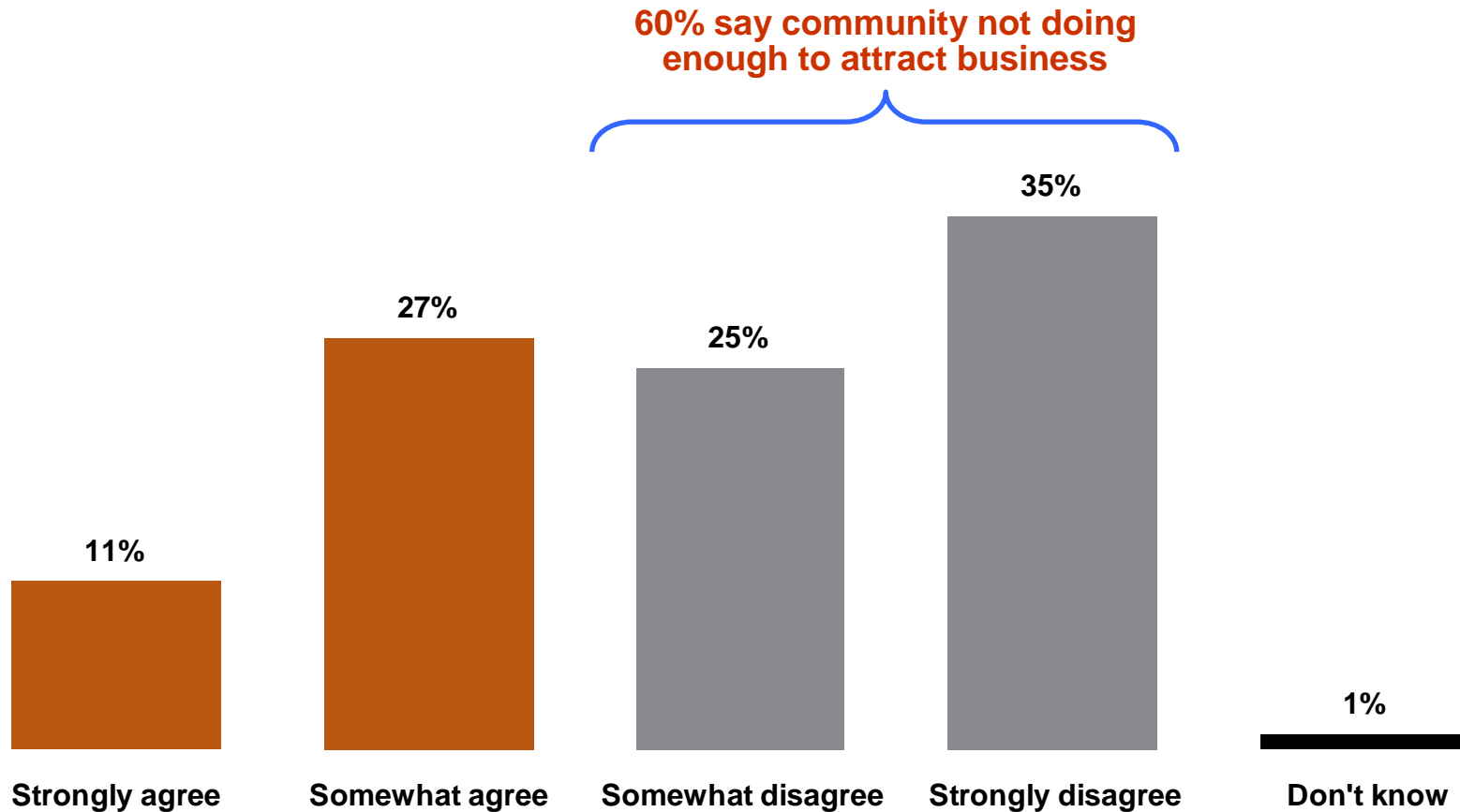
Economic Development

Doing Enough to Attract Business:

Three out of five (60%) say their community is not doing enough to attract new business to the area

AngusReidStrategies™

Kitimat residents in particular don't believe their community is doing enough to attract more business, as 71% disagree. The only demographic wherein a majority believes the community is currently doing enough is aboriginals, at 52%.

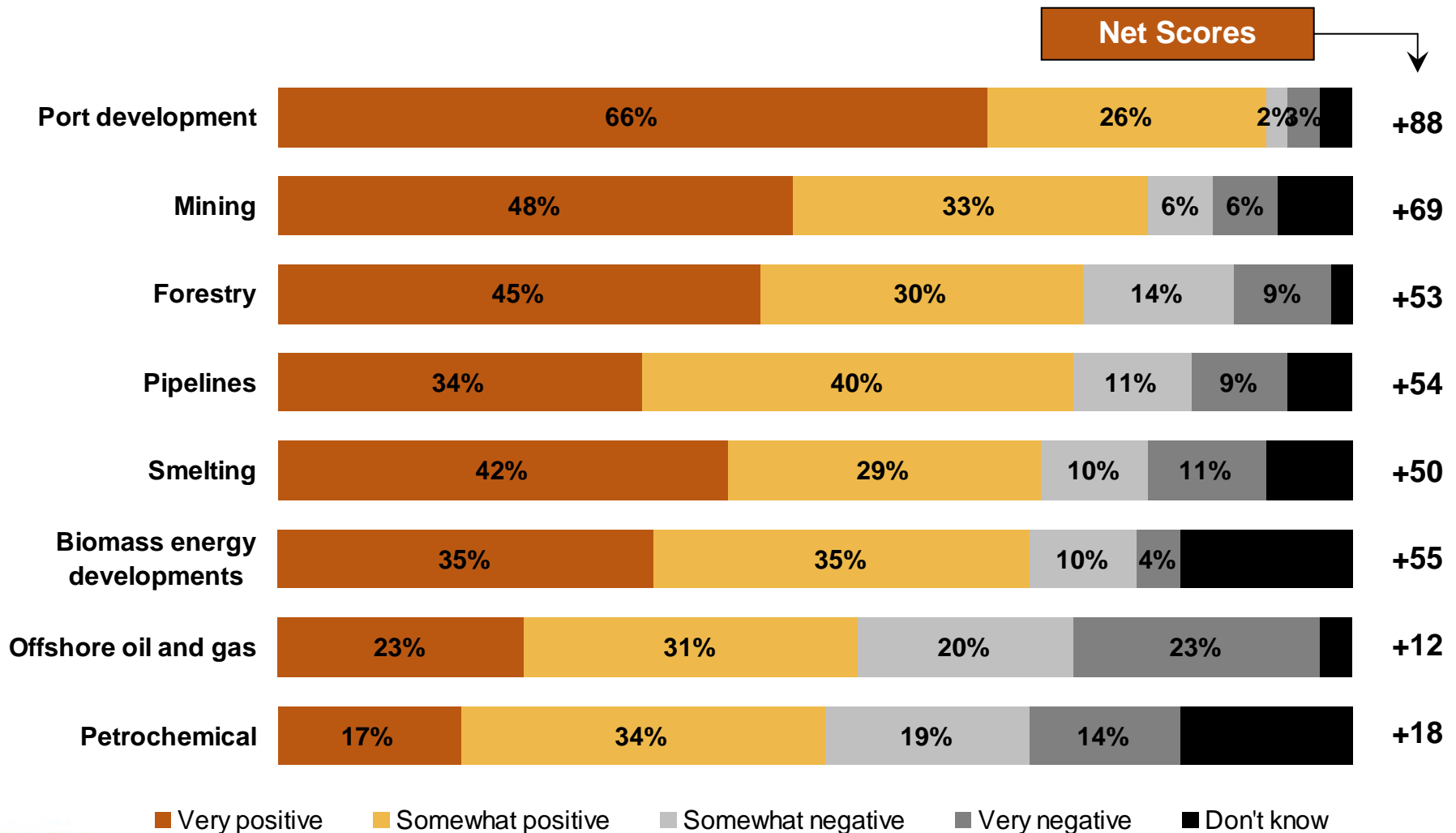


C1. Do you think that your community is doing enough to attract business to your area? [n=400]

Industry Impressions:

Two-thirds of residents (66%) have a very positive impression of port development; Oil/gas-related sectors more negative than the other industries

AngusReidStrategies™

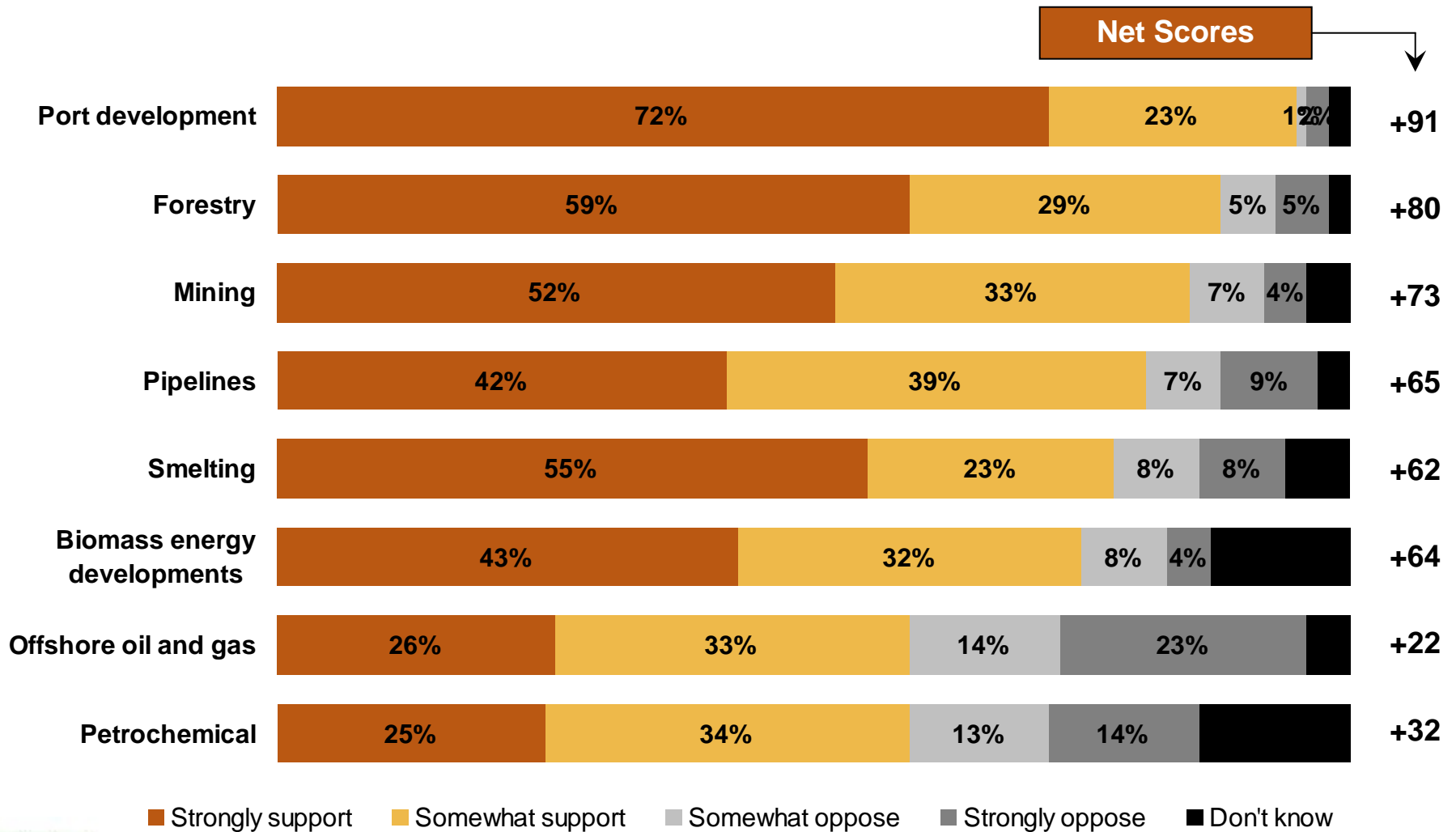


C2a. Now, I am going to read to you a number of industries. For each, please tell me if you have a very positive, somewhat positive, somewhat negative, or very negative impression of them. [n=400]

Industry Support/Opposition:

Residents support all industries, led by port development at 95%; Low NIMBY potential... except for oil/gas, which generates relatively intense opposition

AngusReidStrategies™

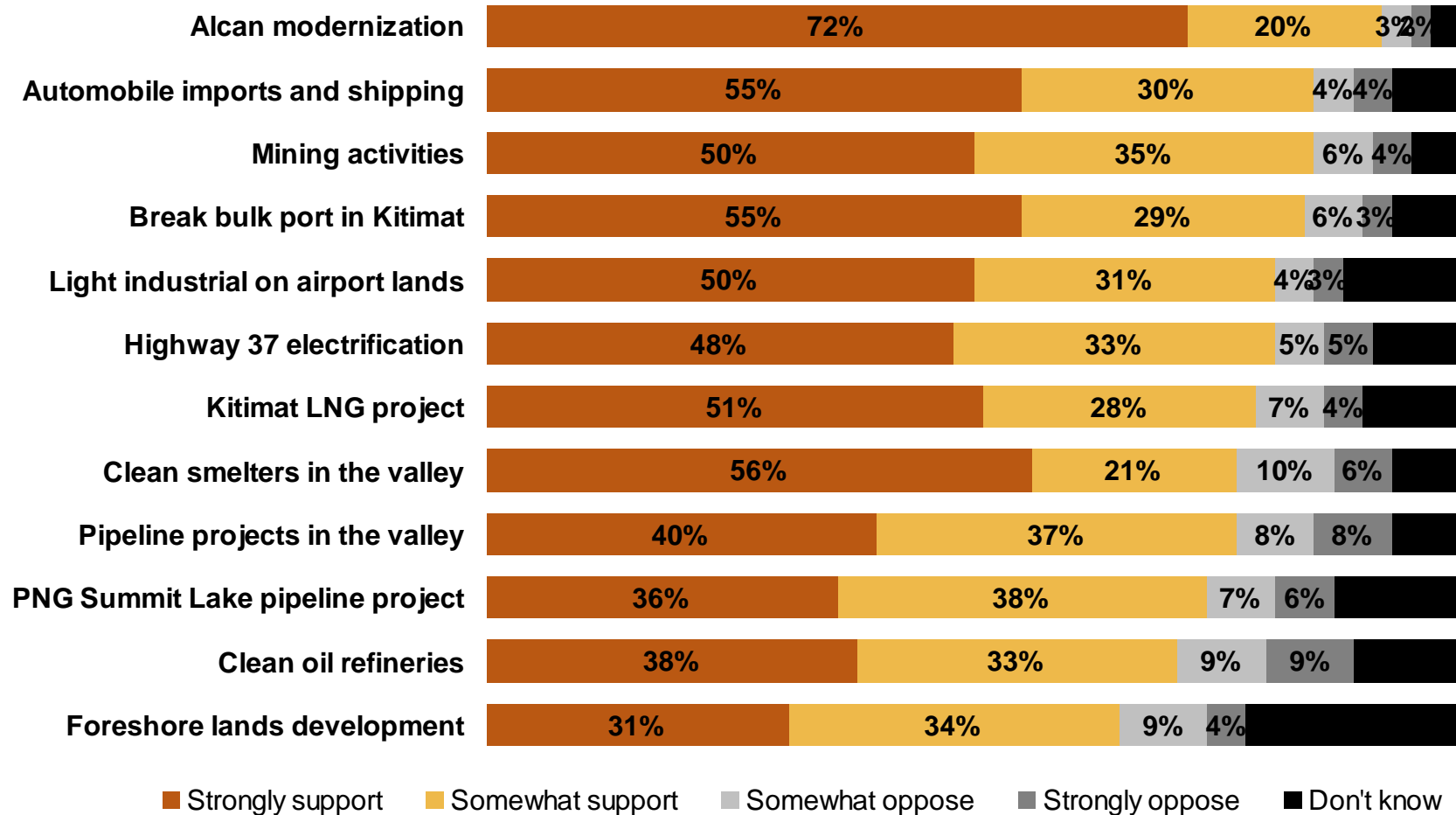


C2b. And, do you support or oppose this industry establishing or expanding their business in your local area? Is that strongly or somewhat support or oppose? [n=400]

Support/Opposition for Economic Developments:

All development initiatives supported by most area residents; Most support reserved for the Alcan modernization (92%)

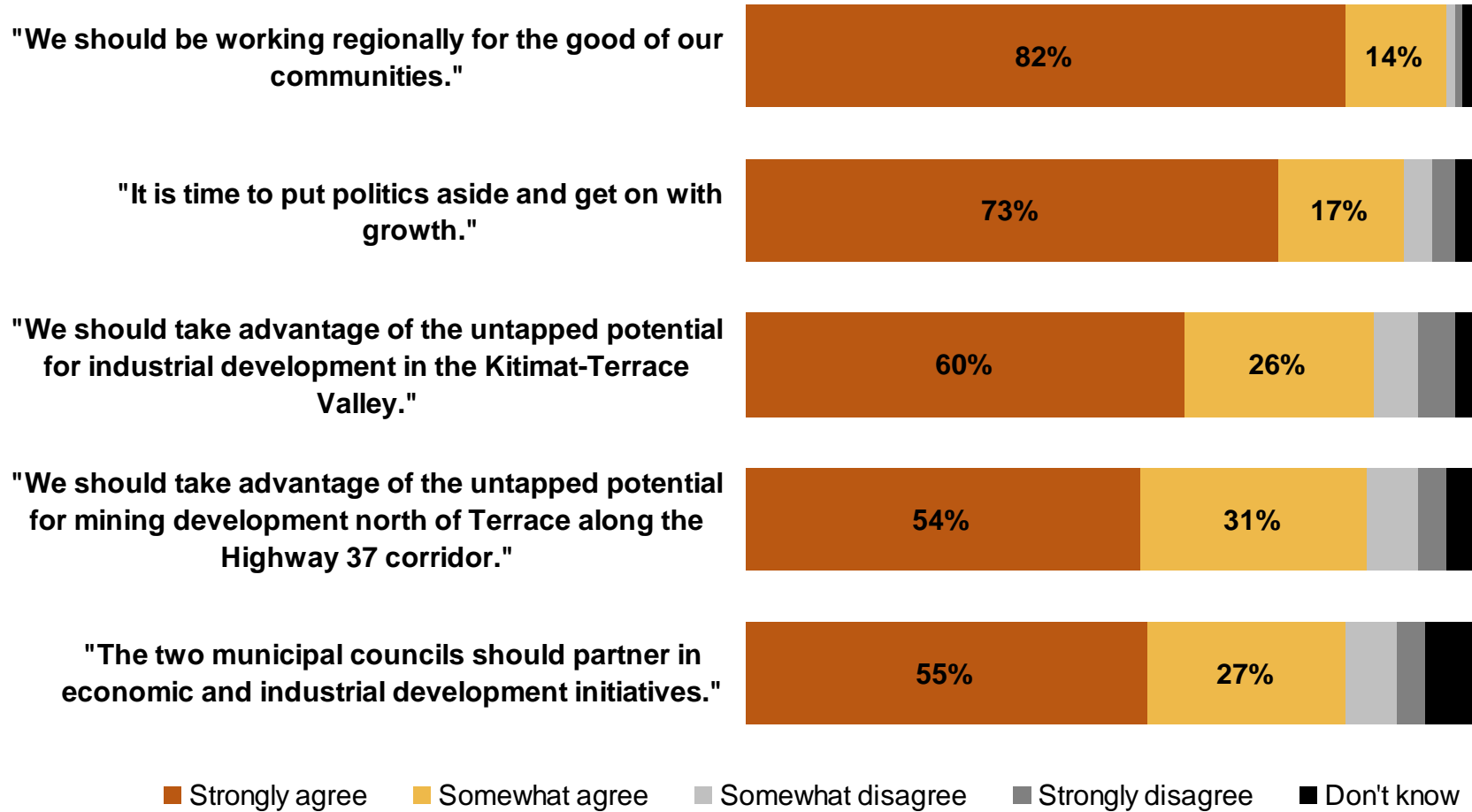
AngusReidStrategies™



C3. Now, I am going to read to you a number of current – or possible future – economic development initiatives and opportunities in your area. For each, please tell me if you strongly support, somewhat support, somewhat oppose, or strongly oppose it. [n=400]

Resident Attitudinal Environment:

Strong support for further economic development



C4. Now, I am going to read to you a few statements. For each, please tell me if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree. [n=400]



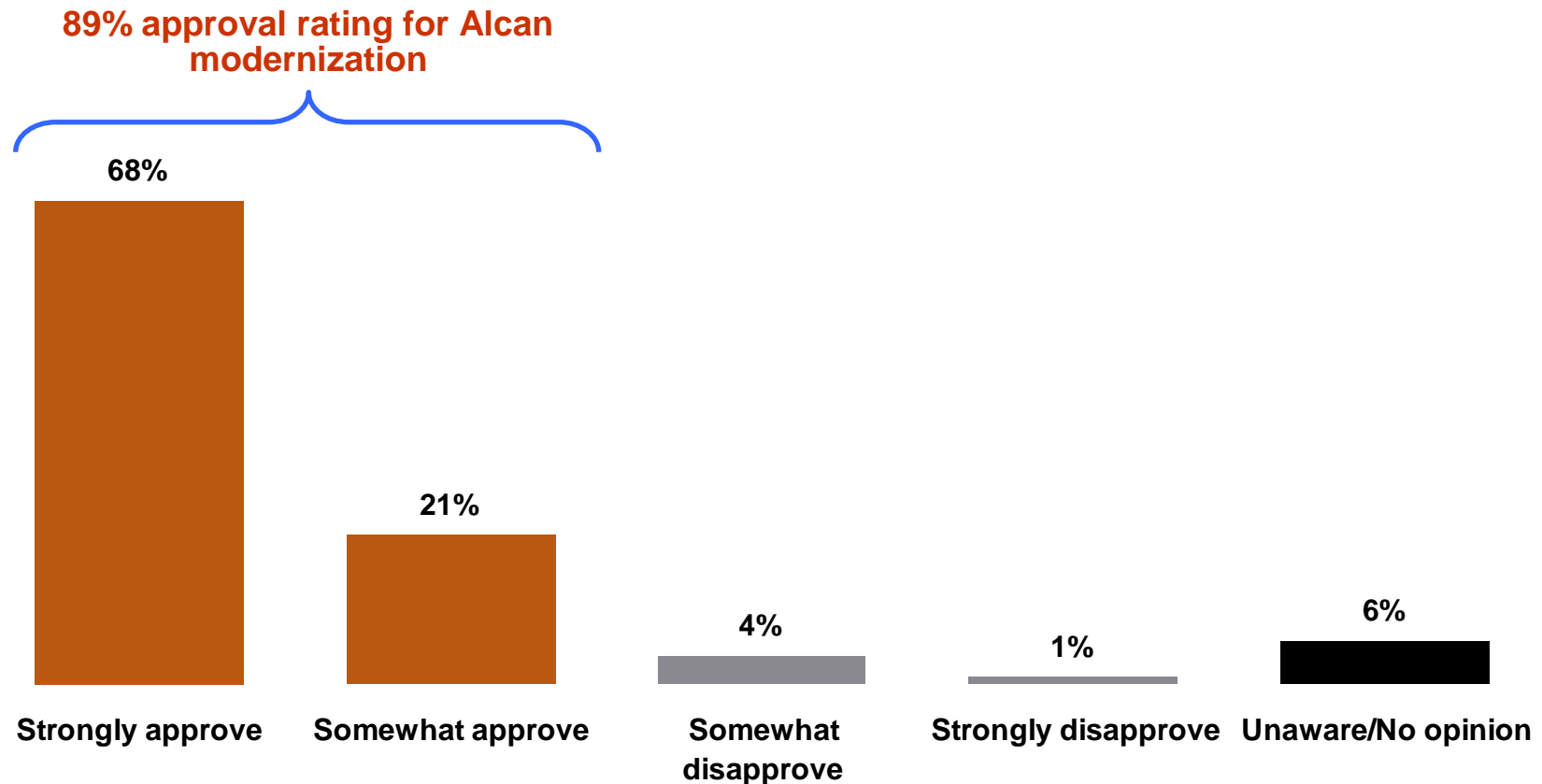
Section 4 *Alcan*

Alcan Modernization:

Two-thirds of residents (68%) strongly supportive of Alcan's proposed \$2 Billion modernization of its smelter in Kitimat

AngusReidStrategies™

Approval of Alcan's proposed smelter modernization is nearly unanimous. Although, 17% of area aboriginals disapprove of the modernization plans.



D1. As you may know, Alcan is proposing a \$2 Billion modernization of their smelter in Kitimat. As this is likely to be the first industrial project to take place in the near future, and thinking about this, do you strongly approve, somewhat approve, somewhat disapprove, or strongly disapprove of the Alcan modernization? If you are not aware of this or do not have an opinion, just say so. [n=400]

Top Reasons for Support/Opposition:

Most residents approve of the Alcan modernization because it will bring economic stability (48%) and create jobs (42%)

AngusReidStrategies™

■ Why do you approve?

- Economic stability for the region (48%)
- Jobs/employment (42%)
- Environmental improvements (23%)
- Increased business for local businesses (22%)

■ Why do you disapprove?*

- Loss of jobs (29%)
- Crime (12%)
- Increased property values for our young people (11%)
- ** Note: Disapproval figures based on small sample size of n=20.*



D2a. And, why do you approve of this? Any other reasons? [n=360]; D2b. And, why do you disapprove of this? Any other reasons? [n=20]

Alcan Modernization Messages:

Strong public acceptance of Alcan messaging

"The Alcan modernization would extend the smelter's life from 10 years to 35 to 50 years."



"The Alcan modernization will provide opportunities for an increase in local business services."



"The Alcan modernization will provide opportunity for secondary industries."



"The Alcan modernization will provide incentive for other industries to locate in the valley."



"The Alcan modernization will decrease employment rates to 1000 from 1500 mostly due to attrition."



■ Strongly agree
 ■ Somewhat agree
 ■ Somewhat disagree
 ■ Strongly disagree
 ■ Don't know



D3. Now, I am going to read to you some statements about the Alcan modernization. For each, please tell me if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with the following statements. [n=400]



Section 5

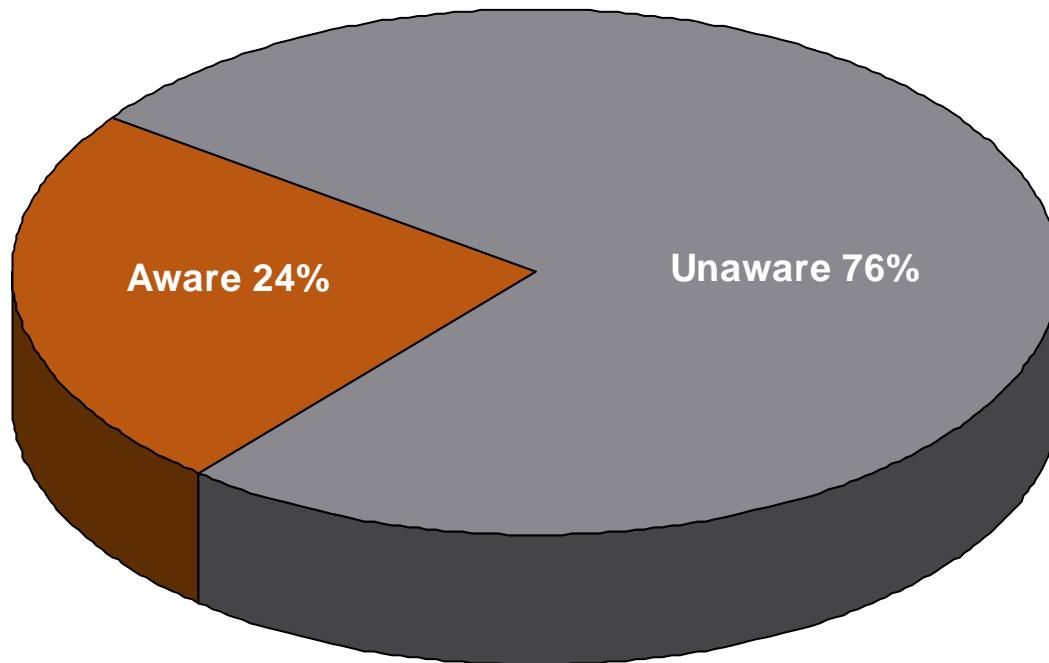
K.T. Industrial Development Society

KTIDS Awareness:

One quarter of area residents (24%) are aware of the K.T. Industrial Development Society (KTIDS)

AngusReidStrategies™

Awareness of KTIDS among residents of Kitimat than residents of Terrace (40% vs. 13%). Also, income plays a significant role in KTIDS awareness, as 50% of those making \$100k+ are aware, compared to just 5% of those making <\$30k. Aboriginals also report a low awareness level, at just 6%.

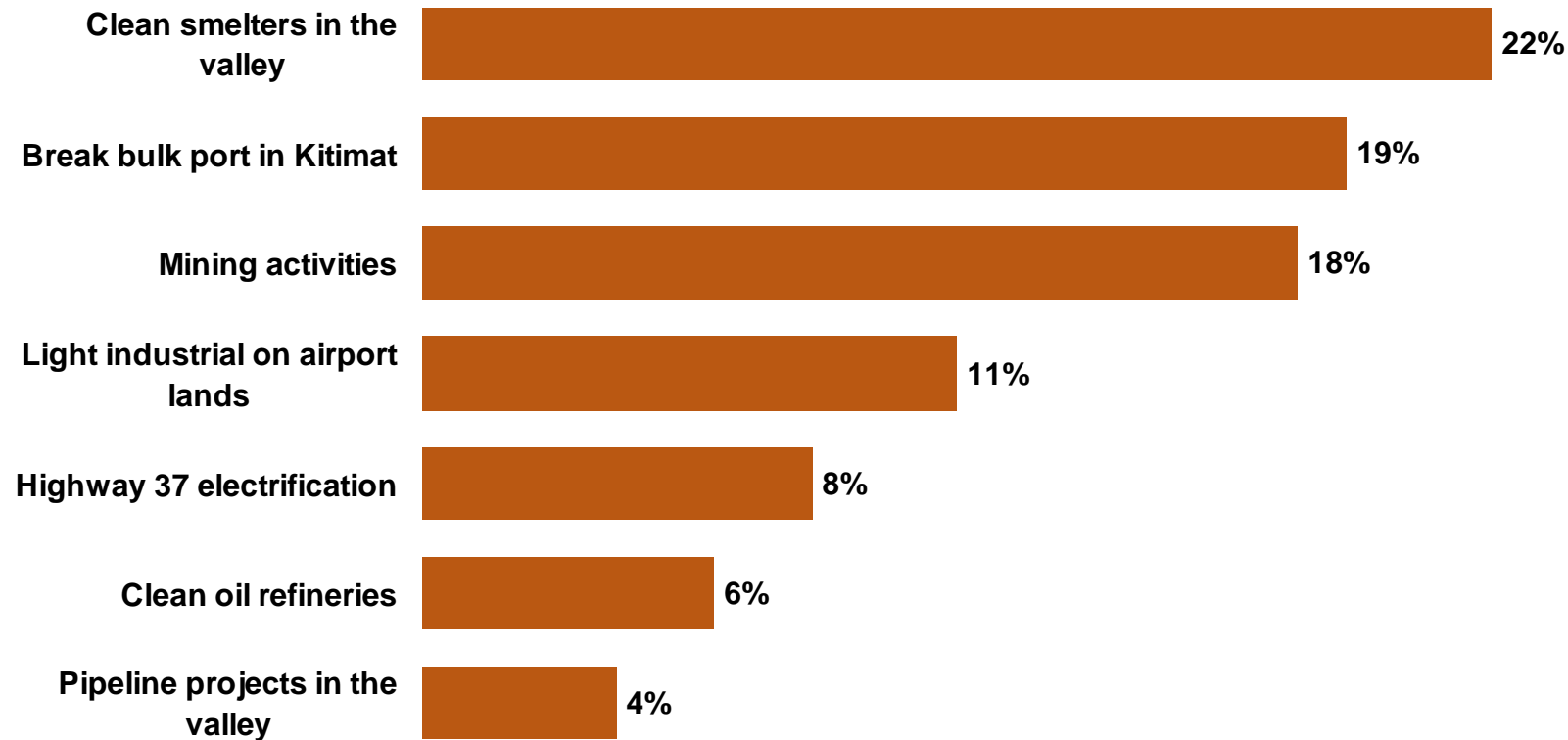


E1. The K.T. Industrial Development Society, also known as KTIDS, is a regional group of volunteer business people interested in supporting industrial developments in the Kitimat Terrace Valley. Five members are from Terrace and five are from Kitimat. Are you aware of KTIDS? [n=400]

KTIDS Priority Setting:

Top priority projects should be clean smelters in the valley (22%), break bulk port in Kitimat (19%), and mining activities (18%)

Clean smelters in the valley and the break bulk port are mainly supported by Kitimat residents, higher-income individuals, unionized employees, and those who are familiar with KTIDS. Mining activities are mainly supported by Terrace residents, those aged 18-34, lower-income individuals, non-unionized employees, aboriginals and those who are unaware of KTIDS.



E2. If you were in a position to make recommendations to KTIDS, which project from the following list would you say should be the group's number one priority? [n=400]

KTIDS Messages:

KTIDS has received a mandate of continued work from 89% of area residents; Many agree it performs a beneficial role (79%) and has a positive impact (68%)

AngusReidStrategies™

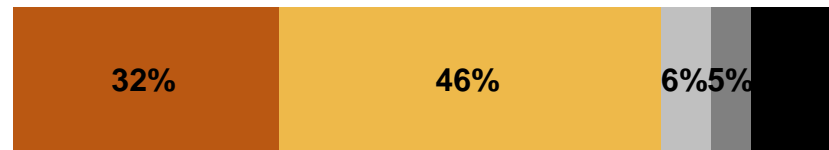
"KTIDS should continue to work to attract as much new business and industrial investment in the region as possible."



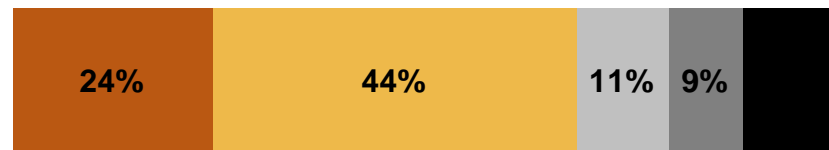
"KTIDS performs a necessary and beneficial role for the region."



"KTIDS is involved in many of the proposed segments of proposed industrial developments for the valley."



"KTIDS has had a positive impact on the region."



Strongly agree Somewhat agree Somewhat disagree Strongly disagree Don't know



E4. Now, I am going to read to you a few statements. For each, please tell me if you strongly agree, somewhat agree, somewhat disagree or strongly disagree. [n=109]