

## Questions to the Premier – Wednesday April 15<sup>th</sup> 2009.

**Mr. Rodney:** Yes, indeed. Thank you, sir.

I do have to make a comment that might be just a little surprising. I have to say that I find one thing unfortunate about today's proceedings, and that's simply this: that not all Albertans are aware of what's happening today and/or are not able to tune in, because so many people are so interested in what this Premier is doing and what his department is doing. This is just a fabulous opportunity to learn exactly who is in control, who has the leadership, and what exactly is happening. Hopefully, the word does get out through Hansard and perhaps through media, but that's beyond our control.

My first question, Mr. Chair, has to do with our experiences in Washington. I was quite interested to hear the number: 90 per cent of our trade is with our American friends. I've been fortunate to go down to the States many, many times. One of the times was to visit our minister councillor. That, indeed, is the title, if I have it correctly. That was the first title given to a former hon. member and minister here, Murray Smith. I was able to witness his activities one day as I tagged along and learned all sorts of invaluable lessons. It was certainly proof to me that we really, really need that representation.

Curiously enough, of course, we're the only province in the country that has representation as we do down there, first with Murray Smith and now with former minister the hon. Gary Mar.

My question to the Premier is: with the ever-capable Murray Smith handing the reins over to the equally capable Gary Mar – some constituents have asked this question – why is it that we would need additional advisers or consultants, be they Canadian or American? Perhaps the Premier can comment on the additional assistance that is, you know, being utilized from this point forward.

**Mr. Stelmach:** Well, thank you. It is a good question and one that I know is important for Alberta, especially at a time when the countries Canada, the United States, and Mexico are entering into clean energy dialogue and some of the possible implications it may have for Alberta.

Energy is a massive contributor to our economy, and we'll need to make every effort to ensure that we get the correct information to decision-makers in the United States, that we're informed very well of the day-to-day developments. It's not only in Washington, the state capital, but it's in state Legislatures, working with governors.

I believe, just off the top of my head, there are about 6,000 pieces of legislation that are passed every year in the United States. We have of course monitored where Congress is going on some of the issues.

The reason I say that is simply this. There was so much attention paid by various groups as soon as the new President was elected that:

“The President will move very quickly. He’s going to impose these penalties on the oil sands. You know, you’ve got to move. If you don’t move, you’re going to get left in the dust. You’ll pay a penalty. Nobody will buy your oil. Oh, and by the way, carbon capture is a big waste; you shouldn’t be doing that.”

All kinds of advice, and most, frankly, coming from some of the columnists that the previous member talked about. Quite frankly, if I listened to their advice, I wouldn’t be here.

Let’s put it this way. The major contributor to our carbon footprint is electrical coal-fired generation. It’s the same in much of the United States. In fact, to reach the goals that the President has established will require a 50 per cent reduction in energy demand – 50 per cent. Can you imagine the cost of electricity if we reduce generation by 50 per cent on this continent? It would further diminish our global competitiveness, would further increase the number of jobless on the North American continent, and it would also put us in the position where we would lose even more of the global competitiveness in countries like India and China.

Now that the President has visited with our Prime Minister, they have decided to enter into a dialogue and see how we can work together on the North American continent so that we don’t lose this advantage that we have. We may lose it forever to Asia if we’re not careful. How do we grow jobs, find the balance between producing energy and also the economy and the environment?

With respect to the two firms that have been hired, it’s \$40,000 a month. The value of the firms there is to monitor policy, to give this government advice on where some of the state Legislatures are going with respect to policy and legislation, to work with their contacts in the Obama administration, to make sure that we’re not only getting the correct information from the state Legislatures and Congress but that we also have a better idea of which states are supporting what legislation, what states may be opposing the proposed legislation in Washington, and who we do work with to build alliances.

A lot of this has to be face to face, and the two companies that we’ve hired have extensive experience. The first, of course, is a former ambassador to Canada with very good contacts with the Obama administration. He is a Democrat, so the politics align very well. The second is a former minister of public works that worked in Washington and the Canadian embassy for many years. Again, very extensive contacts.

This work that the two lobbyist organizations will do, the two firms, will complement what Gary Mar is doing in Washington. He cannot be in every state every day, nor can he monitor, as I said, a little more than 6,000 pieces of legislation that are going forward.

To give you an example of what he has accomplished in a very short period of time, as you know, a lot of work was being done in anticipation of quick decision-making by President Obama and his administration. I think that now that they're in government, they're probably realizing that this is an overwhelming task and that he really does have to work with state governors and find the balance without really increasing the cost of energy even more and putting more pressure on the economy.

Gary has worked in two states, one in Maryland, where he worked diligently to ensure that the state of Maryland removed its anti-oil sands bill. They've done that. He testified in Minnesota on the state's low carbon fuel standard and was able to garner support for the oil sands. He is working very closely with the state of California. You know, the state of California is quite ironical. Everybody talks about Alberta's heavy oil, yet the – what? – 450,000 to 500,000 barrels a day of production in California nobody pays attention to.

It's just another example of how much work we have to do, but we are working very closely through both the Washington office and the two lobbyist firms.

I do have good news to share with respect to Alberta and the relationship with the federal government and some of the state governors. With respect to the federal government we've been asked to participate on two committees, one on carbon capture and storage, which we made a very substantial investment in, and the other on the electrical smart grid. This is more on a technical side so that we can get, again, facts, good engineering, good comprehensive information so that we can build the policy on this.

I know that in Alberta many people focus on the oil sands and think that that's the major contributor to the carbon footprint. It's not. It's coal-fired electrical generation. The fact that many of the plants are close to some of the existing oil fields and gas fields gives us an opportunity to capture the carbon, inject it in the oil fields. Not only will it reduce the level of carbon, but we will also enhance oil recovery. It may be quite sizable in terms of the volume of enhanced oil recovery, which, again, will pay back quite a sizable return on the royalties that we'll collect extracting oil from established fields.

The other important point is that we will not have to disturb more land. The established fields are there. We'll use the same roads – we don't have to drill new wells; again, less disturbance on our land – and use the same infrastructure that has been in place for a number of years. So it is a good-news story.

I know, having just recently visited Texas, that the state of Texas and Alberta will be working on a couple of projects as well and also tying our research on the environment together, especially in nanotechnology and a carbon fibre being able to carry electrical current further without any line loss. This is a state-of-the-art technology.

Yes, a tremendous value in the Washington office. It's co-located in the Canadian embassy. We're the only jurisdiction to have an office co-located in Washington. It is reaping benefits, especially now when there is a bit of a risk of having a policy implemented that may put quite a larger onus on a very small population, 3 and a half million people in Alberta, in terms of energy cost and production.

**Mr. Rodney:** Thank you so much, Mr. Chair. Those are extremely valuable clarifications.

I do have a question for the Premier about the branding campaign. It does relate to my previous question having to do with our friends – and I mean our friends – in Washington, DC. We've had all sorts of feedback on the branding, and I suppose that's quite natural in that it's very near and dear to the hearts of Albertans and how we communicate with people well beyond our borders. That's the leadup to my question. What can our hon. Premier tell us about the role that our representatives in Washington have when it comes to supporting this new brand campaign? Again, what role do our representatives in Washington have in supporting our brand campaign?

**Mr. Stelmach:** The branding campaign will be in partnership with our office in Washington because the logo, the video, all of the information will be able to tell Alberta's whole story to not only people in Washington, decision-makers in Washington, but also to state governors, especially the Western Governors' Association, where we'll be taking that this spring. We're also going to, again, the state of Texas. We're going to be doing some work in California. These are all important areas for getting the correct information out.

Really, the branding speaks to our values. These are values that govern our decisions about energy. They honour our decisions with respect to environment and also the economy. It is the time to do it. Alberta has such a positive story.

It's amazing that when I was in Texas and met with the governor and some of the private-sector individuals – in fact, the economists at Rice University were not aware that in the province of Alberta we have a flat tax, a 10 per cent flat tax. It doesn't matter how much you earn. They thought that only in Texas do they have a tax situation like that. That tells us that we have a lot of work to do.

We also have to clearly – clearly – articulate to U.S. decision makers that we develop our resources responsibly, be clear on the very tough water regulations we have, pipeline regulations, how we drill wells because they just do not have that information. The only way to do it is to work with them face to face and through the branding initiative.