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Advanced Education & Technology

Agriculture & Food

Children’s Services

Education

Employment, Immigration & Industry

Stop work order lifted

The Edmonton Sun

Sat 14 Jul 2007

Page: 33

Section: News

Byline: BY CP
Dateline: EDMONTON

A union leader says the province has quietly lifted a stop work order imposed on an oilsands tank construction site in northern Alberta after two workers died.

Gil McGowan, president of the Alberta Federation of Labour, says officials in the Immigration Department told him about the development Thursday.

In a letter to Immigration Minister Iris Evans, McGowan says he believed the stop-work order would remain in place until the end of an investigation into what happened at the site near Fort McMurray.

McGowan wants to know whether the review into the deaths and a second non-fatal collapse three weeks later has been completed.

He has also written a letter to Justice Minister Ron Stevens asking for a public fatality inquiry into the deaths.

The Chinese men were working on the multibillion-dollar Horizon oilsands project belonging to Canadian Natural Resources (TSX:CNQ).

Strike vote ballots sealed

The Edmonton Sun

Sat 14 Jul 2007

Page: 33

Section: News

Byline: BY SUN MEDIA

Dateline: FORT MCMURRAY

A couple of twists surrounding oilsands trade union strike votes have left ballots sealed in Edmonton. It's not known when they'll be counted.

The double-blind ballots cast in the July 4 vote by about 25,000 members of five trade unions were sealed and sent to Edmonton to be counted following yesterday's vote by the ironworkers union. That was done to avoid tainting the outcome.

In the meantime, the ironworkers ratified an agreement a week early and there is now debate in front of the Alberta Labour Relations Board about voter eligibility.

That's because there's no "jurisprudence," or precedent, explained Barry Salmon, media liaison for the unions.

Most of the arguments concern foreign workers contracted at Canadian Natural Resources Ltd. (CNRL), said Salmon.

The contention allegedly surrounds a no-strike guarantee and questions whether workers hired within the last 60 days can vote.

"We're saying, if you're paying dues ... yes (you can vote)," said Salmon.

The last contract of the five unions expired April 30. The unions represent electricians, boilermakers, refrigeration mechanics, millwrights, plumbers and pipefitters.

Aging workforce has gov't seeking new blood; More than half of provincial employees are between 45 and 59

The Edmonton Journal

Sun 15 Jul 2007

Page: A2

Section: News

Byline: Archie McLean

Dateline: EDMONTON

Source: The Edmonton Journal

EDMONTON - Maurine Mullins has little trouble attracting interest from students when she works the provincial government's booth at the University of Alberta's job fair.

"When you do your shift, you're answering questions for the full two hours -- it's definitely a busy booth," says Mullins, who works in facilities management in the Energy Department.

Such interest is encouraging because the province's public sector workforce is facing a demographic crisis. Fully half of the roughly 24,000 public sector employees are between ages 45 and 59.

"We have the elements of a perfect storm," explains Trevor Coulombe, with Service Alberta's personnel administration office.

"We have a hot economy, where finding and keeping workers is highly competitive. And as if that's not enough, we also have demographic pressures that industrialized nations all over the world are facing, where you have the baby boomer generation moving up to the point where they're entering retirement age."

Plus, Coulombe adds, the workforce is changing. People tend not to stay in one spot their entire working lives.

"People jump around a lot more, they have multiple careers."

In 1989, the average age of a government employee was 39. By 1993, that number had risen to 41 and now it's closer to 46. The average is higher than the provincial average of 42, which includes working teens and other people too young to be employed by the government.

Liberal MLA Hugh MacDonald says the government should be screaming from the rooftops about its needs for good people.

"If we don't deal with this in a timely fashion and with a solid plan, we'll all pay the consequences later."

The government hasn't put up any billboards yet, but they will spend more than \$6 million this year on employee recruitment and retention. To pull people in, they are doing things like revamping their popular jobs website, which gets the most hits of any government page, after the homepage.

"We're going to be putting a lot more employee testimonials on it -- it's going to be very interactive," Coulombe says.

The idea is to show people that government jobs don't all involve sitting behind a desk and cranking out spreadsheets.

"We have paleontologist, biologists, agrologists, conservation officers, it's very broad," Coulombe says.

Mullins is part of an ambassador program that send employees to places like career fairs to talk-up the benefits working for the government. To retain their employees, the government tries to keep pay and benefits competitive and allow people to keep developing their skills.

But despite all this, they still have trouble attracting people, particularly in fields such as engineering, finance, medicine and forestry. They also have a hard time attracting people to Northern Alberta and Calgary.

For many employees, attraction and retention comes down to one thing: money. In its upcoming negotiations, the Alberta Union of Provincial Employees is looking for 24-per-cent raise over three years.

"They're seeing other people getting good raises and they want a share in that," says David Climenhaga, an AUPE spokesman.

With an aging workforce, good pensions are vital, too, he says. Under provincial law, pensions are negotiable, but the government

doesn't have to accept arbitration if it doesn't want to.

"If you want to attract and keep older workers, the employer will eventually have to show a little flexibility."

Climenhaga also says the government needs to look at ways to keep people in the workforce past 65 or even 70, when their medical and dental benefits expire.

These problems, of course, are not limited to the provincial government. Nearly everyone in the private sector is dealing with labour shortages.

The City of Edmonton recently rolled out an aggressive recruitment campaign that includes radio ads. One of the ads for heavy duty mechanics touts the benefits of living locally instead of Fort McMurray. "No long drives, no sleeping in strange beds," it says. "And the kids will love having you home at night."

For Mullins, it's the things that don't show up on a paycheque that keep her going -- like good benefits and the chance to learn new skills.

"If you've got your heart set on working for industry, then maybe the government isn't where you want to be," she says. "But for people who are motivated, there's lots of opportunity."

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Four unions await ruling by labour board this week

The Edmonton Journal

Sun 15 Jul 2007

Page: A13

Section: News

Dateline: EDMONTON

Source: The Edmonton Journal

EDMONTON - The Alberta Labour Relations Board has promised a decision by next Thursday on issues that affect strike votes by four construction unions.

Votes covering the entire province were taken July 4 by members of the electricians, boilermakers, plumbers and pipefitters, millwrights and refrigeration mechanics unions. The results were sealed pending a vote Friday by ironworkers, but they and the electricians have since reached agreements.

However, the board last week held hearings to decide, among other things, whether a double majority vote is required. This would mean more than half the union members have to cast ballots for the vote to be valid, with a majority of those voters making the decision.

The board ruled Friday that only a simple majority of the members participating in the vote is required, said Barry Salmon, media liaison for the unions involved.

"The legislation is poorly written on this point, and we are pleased they ruled in favour of a simple majority."

Other issues the board will rule on next week include whether about 2,000 workers at CNRL's Horizon oilsands plant should have been allowed to vote when under special legislation they cannot strike.

As well, the board has to decide on the difference between maintenance and construction contracts, which have different provisions under the collective agreement.

About 2,300 Suncor workers, members of the Communications, Energy and Paperworkers Union, earlier this month accepted a new agreement that gives them a 19-per-cent raise over three years, plus a \$4,000 signing bonus.

EMS to decide on strike notice; City digging in, say 'fair offer' was made

The Calgary Herald

Mon 16 Jul 2007

Page: B1 / FRONT

Section: City & Region

Byline: Sean Myers

Source: Calgary Herald

Calgary EMS workers are deciding over the next three days whether to issue a strike notice as the city accuses the paramedics union of demanding an unreasonable pay raise that totals 30 per cent.

The city ran newspaper ads on Sunday saying the 18 per cent raise the union has asked for combined with the market and pay grid adjustments also demanded actually total a 30 per cent bottom-line increase.

That's well above the 12 per cent hike offered by the city during negotiations.

"We've made what we feel is a fair offer that will see Calgary paramedics continue to be the top paid in Alberta and the second highest paid in Western Canada," said city spokeswoman Vickie Megrath.

The average paramedic salary last year, according to T4 slips, was \$75,000, said Megrath, and the union request would put that average over \$100,000, she claimed.

"That's not affordable to Calgary taxpayers," said Megrath. "We value paramedics and what they do, but we also have to be answerable to Calgary taxpayers."

Bruce Robb, president of the paramedics union, said a suggested percentage for the market adjustments has not been finalized.

"Those are the city's numbers, not ours," said Robb. "I'm not prepared to debate this through the media."

Over 400 EMS workers are eligible to vote today through Wednesday. Robb described a strike vote as a tool to be used in negotiations.

Both sides said they are willing to go back to the table to come to a negotiated solution, but Robb didn't seem optimistic.

"They haven't talked to us since the talks went south in mid-June," said Robb.

The city has been asking the province for several years to declare EMS an essential service along with police and firefighters, which would remove their right to strike.

Premier Ed Stelmach has said he is in favour of the move and was awaiting a report on the issue from Employment, Immigration and Industry Minister Iris Evans.

If the province determines that a strike action is a threat to health and safety of Calgarians, it could intervene by ordering a disputes inquiry board or recommending the lieutenant-governor declare an emergency resolution tribunal, which is binding.

"We are monitoring the negotiations very closely," said employment, immigration and industry spokeswoman Lorelei Fiset-Cassidy.

Paramedics have been without a contract for almost a year. The city is offering a 12 per cent increase over three years and a 10-cent increase in the hourly differential to 85 cents.

The union wants five per cent for the last six months of 2006, five per cent in 2007 and 2008 and three per cent in the first half of 2009.

As well, it is asking for a market adjustment that would be retroactive to the end of June, which would range between nine and 11 per cent. The union wants to see the hourly differential double to \$1.50 before the end of the contract.

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Oilpatch riches feeding worker shortage

The Calgary Herald

Mon 16 Jul 2007

Page: A1 / FRONT

Section: News

Byline: Geoffrey Scotton

Source: Calgary Herald

A stampede of Alberta workers to higher-paying jobs in the energy sector will be largely responsible for a projected shortfall of more than 100,000 employees in the province within the decade, according to research by Alberta Employment, Immigration and Industry.

"That's a reality," Alberta Employment Minister Iris Evans told the Herald. "Simply put, we need more workers."

According to Evans' department's research, the biggest crunch will centre around medical professionals such as physicians, dentists and veterinarians. By 2016, Alberta will have a deficit of nearly 5,000 of those type of doctors.

However, severe shortfalls will be seen in many other areas, including textile machine operators, facility managers, specialized engineers, laundry industry workers, manufacturing control operators, computer and IT specialists, pharmacists, managers in non-agricultural primary production and dental assistants.

A big part of the reason is a migration of workers from lower-paying industries to higher-paying oil and gas positions, which have been growing as the energy sector mushrooms to meet growing demand and high energy prices. However with a general worker shortage, even the oilpatch can't find enough bodies -- a projected 40,000 over the next eight years.

"The whole of it is that if you can get a better job, you will move elsewhere," said Evans.

It's definitely being felt, said Danielle Smith, director for Alberta of the Canadian Federation of Independent Business.

"The oilpatch is so desperate -- they're hiring kids right out of high school to drive a truck for more than \$50,000 a year," said Smith. "When you have those kinds of wages available in the oilpatch it makes it very difficult for the small and medium employer in a non-oilpatch sector trying to compete with them."

A shortage of skilled labour remains the No. 1 issue for the 9,200 Alberta member firms of the CFIB, with close to one in four employers reporting it's a problem, said Smith. Those small and medium-sized business employers have 60,000 positions that have sat empty for at least the past four months.

With 60 per cent of Alberta's labour force employed by smaller businesses, Alberta may already have a 100,000-person shortage. "Things are so acute for Alberta," said Smith. "We could well be at that number already."

The province is taking a multi-pronged approach to the shortages, including industry-led sector-specific action plans for retail, tourism, oil and gas, manufacturing, construction and forestry, and a campaign to build and educate Alberta's future workforce. That includes greater labour market information, efforts to enhance immigration and migration, programs to heighten or sharpen worker skills, and initiatives to keep people in the workforce.

At the same time, both government and employers are trying to improve productivity and do more with fewer workers, said Evans. "I don't think we're in some form of a crisis," Evans emphasized.

Crisis or not, the pressures are the inevitable result of too many jobs and too few workers in a province where, today, 30 of 53 occupational categories tracked by the province are already considered to be in shortage, with unemployment rates below three per cent.

These include all management occupations; all business, finance and administrative occupations other than secretaries; all natural and applied sciences and related occupations; all health occupations; all occupations in art, culture recreation and sport, and all occupations but some technical positions in social science, education, government and religion. There are shortages as well in protective services, among barbers and hairstylists, contractors and supervisors in the trades, mechanics, in occupations unique to primary industry, and those unique to processing, manufacturing and utilities.

There is a 10 per cent vacancy rate among mechanics and a nine per cent vacancy rate among cashier positions, said Sharon Blackwell, Calgary regional operations manager for AEII.

"It's because there's more appealing jobs at higher wages in other areas," said Blackwell. Moreover, of the 23 occupational categories the department tracks that are not currently in shortage, 17 have unemployment rates between three and five per cent.

"The workers are voting with their feet. Because the oil and gas sector can pay very, very well and they are seen to be more attractive to many more people than a few years ago," said Blackwell.

"What that has done is create greater vacancies in other occupations. If the oil and gas sector remains vibrant, that will continue to be the case," she added, noting that simple demographics -- an aging workforce -- means that another dynamic is at play as well. "What is happening in the oil sector is one piece of it -- but it's not the only piece."

Blackwell said the ongoing developments in Alberta's labour market also have many positive aspects, including tens of thousands of Alberta workers that have been able to find better-paying or less onerous jobs, giving them a better standard of living and a better quality of life. And even Alberta's lowest-paid jobs are paying far more than just a few short years ago.

"They're making more money and sometimes they're moving because the job opportunity that they have is more conducive to the lifestyle that they want to live. Some people are opting out of the high-pressure jobs," said Blackwell, noting opportunities for professional development, jobs that help improve society or simply a better job fit are also a magnet.

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Oilsands project gets partial return to operation after deaths

The Edmonton Journal

Mon 16 Jul 2007

Page: A15

Section: Cityplus

Dateline: EDMONTON

Source: The Edmonton Journal

EDMONTON - A partial lift of the stop-work order at Canadian Natural Resources' oilsands project allows removal of material from damaged holding tanks where two Chinese workers died in April, a spokesperson for Alberta Workplace Health and Safety said Sunday.

But the tanks can't be rebuilt until an engineer's report is completed.

The stop-work order on the project to build three large oil tanks was issued after two employees of Sinopec Shanghai Engineering Co. Canada Ltd. died when a tank roof collapsed on April 24.

Four other Chinese workers were injured in the collapse.

No one was injured when a second tank collapsed a few weeks later.

AWHS spokesperson Stephanie Francis said it's not known when the engineers' report will be finished.

An investigation into the deaths is also continuing, she said.

Energy

Global players undeterred by oilsands economics; European, U.S. firms won't follow Chinese withdrawal

The Calgary Herald

Sat 14 Jul 2007

Page: E4

Section: Calgary Business

Byline: Ashok Dutta

Source: Calgary Herald

China may have decided to opt out of Canada's oilsands sector, but new European and American companies are pushing ahead with mega investment plans.

On Thursday, China National Petroleum Corp. announced it was pulling back on investments in Alberta, choosing instead to invest in Venezuela. A long gestation period, coupled with an urgent need to monetize oilsands resources, were cited as prime reasons.

Those issues do not appear problematic for other would-be international oilsands players.

Leading the pack among European companies is French oil giant Total, which plans to spend \$10 billion to \$15 billion over the next decade to produce about 250,000 barrels per day (bpd) of synthetic crude from Alberta's oilsands.

Another European major, Milan-based Eni, is also actively scouting for opportunities with plans to invest in either a stand-alone bitumen and mining project or an integrated venture with a capacity of 50,000 to 100,000 bpd.

With operations in 70 nations, Eni handles 1.73 million barrels per day of oil equivalent globally and posted a net profit of 9.2 billion euros (\$13.3 billion) in 2006.

Closer to home, Houston-based Marathon Oil, the fifth-largest refiner in the U.S., reiterated that it is pursuing opportunities for a swap deal in the oilsands sector.

Michael Borrell, president of Total E&P Canada, told an oilsands conference in Calgary this week that progress is being maintained on the company's two steam-assisted gravity drainage mining projects -- Surmont and Joslyn -- and the proposed upgrader to be built at Strathcona, near Edmonton.

"We will play an integrated game in Alberta," he emphasized, adding capital costs have seen an across-the-board sharp increase, yet the "attractiveness" of the oilsands industry has remained by and large intact.

Calgary-based Peters & Co. Ltd. said in a note on Friday that the oilsands sector has been plagued by a "tremendous" amount of uncertainty over the past year.

"While oil prices have remained strong, costs have increased sharply, resulting in lower project economics than planned earlier," it said. "The sector has also been hit with regulatory uncertainty ranging from trust tax to potential carbon dioxide costs and the royalty (provincial government mandated) review."

As a rule of thumb, an upgrader accounts for about 55 to 60 per cent of the total cost of an integrated venture.

"We will get a clear idea of the cost in 2009 when engineering work is complete," Borrell said, while alluding to the Strathcona upgrader. "Decisions will be made then."

The upgrader will have capacity of 130,000 bpd under its first phase, which will be ramped up to 240,000 bpd by 2016-17.

For the 27,000-bpd Surmont SAGD project, which is being carried out on a 50-50 joint venture between Total and U.S.-based ConocoPhillips, he said: "As of June, we have started steam injection into the wells. It will take about three to four months and production is due to start by October."

For the 100,000-bpd Joslyn SAGD project, Borrell said Total has just responded to the Alberta Energy and Utilities Board with full application details for the North mine. The first application was filed in February.

"There are future prospects and preliminary engineering is underway for the South mine to add another 100,000-bpd capacity," he said.

Total also plans to build research and development expertise in the province. The focus will be on further development of the coking technology to increase yields.

David Roberts, senior vice-president of business development at Marathon Oil, said that although the demand for hydrocracking increases in the U.S., uncertainty prevails over the number of facilities that will get built.

As part of its efforts to increase its involvement in Alberta's oilsands patch, in late 2006 Marathon issued a request for proposal enlisting the help of interested parties in a process that could lead to an integrated Canadian venture. The request was intended to explore various commercial arrangements under which Marathon would provide processing capacity for Canadian heavy oil in exchange for an equity interest in an Alberta oilsands project through either a joint venture or other alternative business models.

Marathon plans to add 610,000-barrel-per-day new capacity to its existing refineries in Louisiana, Detroit, Robinson, Ill., and Catlettsburg, Ky.

"We continue discussions with companies who have responded to the RFP," Roberts said. "We are also willing to engage with other parties unilaterally."

Stating that an integrated project creates a "natural hedge," Roberts said the largest potential for Canadian crude is in the PADD 2 region (Midwest).

In late June, officials at India's Oil & Natural Gas Corp. and Pakistan's Ministry of Petroleum & Natural Resources reported that both nations were unlikely to invest in the oilsands sector.

"Canada is too far away for us and our refineries are not configured to run on such heavy grades," said Irshad Ahmed Kaleemi, deputy financial adviser at the Pakistan ministry. "We would rather depend on Kuwait and Saudi Arabia for our crude oil imports."

Sandeep Bahl, Oil and Natural Gas Corp.'s business development manager, pointed out that along with refinery configuration, project economics would go against major investments.

"Overall, in China, India and Pakistan most of the refineries run on light to medium crude," said Easwaran Ramaswamy, head of global oil markets at New York-based Platts.

"Refineries in southern China are being upgraded to utilize heavy oil, but Canadian crude will be still too heavy."

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Wind power is where it's at; Investor opportunities will grow with industry

The Edmonton Journal

Sat 14 Jul 2007

Page: F1 / FRONT

Section: Business

Byline: Gary Lamphier

Column: Gary Lamphier

Dateline: EDMONTON

Source: The Edmonton Journal

Series: Green Investing

SECOND IN A FIVE-PART SERIES:

- Next week: Solar energy outlook

- - -

EDMONTON - Wind power currently accounts for less than 0.7 per cent of Canada's electric power generating capacity.

But don't be fooled by that skimpy statistic. The world is changing, and wind is no longer regarded as a marginal energy source.

Unlike more exotic technologies such as tidal power or fuel cells, wind power is rapidly elbowing its way into the mainstream. In less than a decade, wind could rival natural gas as an important secondary source of electric power in Canada.

A huge wave of capital investment is expected to flow into the sector in coming years, as major utilities such as Hydro Quebec, Ontario Hydro and B.C. Hydro move aggressively to ramp up their wind power generating capacity.

Emerging Energy Research, a Cambridge, MA-based consulting firm that tracks new energy technologies, expects Canada's installed wind power capacity to soar nearly tenfold by 2015, to 14,100 MW (megawatts).

Some \$18 billion worth of capital investment is expected to flow into the sector by then, catapulting Canada into the ranks of the world's five or six largest wind power producers, EER says.

"Wind energy has undoubtedly achieved mainstream status," says Josh Magee, a senior analyst with the firm.

He cites a number of factors for this. Among them: the rollout since the mid-1990s of larger, megawatt-class wind turbines; increased volatility in energy prices, which have made wind far more attractive; and the expected imposition of additional costs or taxes for carbon emissions.

"Once the carbon price is introduced on coal assets, wind's competitive role within the energy mix will be improved substantially," he predicts.

In the U.S., where wind power is already a big deal in such states as Texas and California -- and where corporate giants like General Electric, John Deere and Florida Power & Light are already big players -- EER also foresees huge growth.

It reckons some \$65 billion US worth of further capital investment will boost U.S. wind power generating capacity to about 49,000 MW by 2015. That would make the U.S. the global leader in wind power, accounting for roughly 19 per cent of world capacity, EER says.

Wind power already accounts for six to seven per cent of all the electricity that's generated in such Western European countries as Spain, Portugal and Germany. In Denmark, the figure is upwards of 20 per cent.

Sean Whittaker, policy director of the Ottawa-based Canadian Wind Energy Association, estimates that wind will account for four per cent of Canada's electric generating capacity by 2015. And that estimate could be conservative.

"We really feel that 2006 was the start of the wind energy boom in Canada," he says. "We saw fairly solid growth in the years preceding it. But it was really in 2006 that we saw wind really start to take its place as a key player in Canada's energy future."

Across North America, major utilities, oil giants such as Royal Dutch Shell and British Petroleum, independent power producers and turbine manufacturers alike are all eyeing the profit potential of wind energy. And with growing public pressure to curb greenhouse gas emissions, it seems wind energy has the political wind at its back.

"Each of the provinces has put in place policies and fixed targets for wind that have really helped to drive the industry forward," says Whittaker.

"As of 2007, there were installed wind turbines or wind turbines under construction in every province. By 2015, it's projected that Ontario will have at least 2,400 MW of wind in place. Today it's about 415 MW. Quebec now has about 322 MW installed, and by 2015 it's expected it will have over 4,000 MW."

By 2015, Canada's two most populous provinces are expected to generate roughly 60 per cent of the country's wind power, EER estimates. B.C. is also expected to become a significant player.

Alberta, one of the early pioneers in wind power, risks becoming a laggard unless it lifts its currently imposed 900 MW cap on new wind power generation in the province.

"Alberta is a bit of an anomaly," says Magee. "It was one of the early movers in the development of the Canadian wind industry."

"But the result of the cap on new wind development is that it essentially froze it, so many of the developers who were active there have essentially put their projects on hold."

Despite the massive sums being invested in wind power, the investment options for retail investors in Canada remain very limited. For most publicly traded players in the sector, wind power remains a small part of their asset mix.

Calgary-based Canadian Hydro Developers and Kingsey Falls, Quebec-based Boralex Inc. are two firms that could give investors direct exposure to growing wind power capacity in the years to come.

Globally, the choices are far broader, and many companies are much larger and more advanced than they are in Canada. Denmark's Vestas Wind Systems, the world's largest wind turbine maker, had sales of more than \$5 billion in 2006.

Other major European players include Spain's Iberdrola SA and Gamesa Corporacion Tecnologica SA, and German firms like Repower Systems and Enercon.

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Finding fugitive emissions saves millions

The Calgary Herald

Sat 14 Jul 2007

Page: E1 / FRONT

Section: Calgary Business

Byline: Lisa Schmidt

Source: Calgary Herald

When Terence Trefiak started pointing a new camera at equipment in his company's natural gas plants last spring, the images he captured resulted in millions of dollars worth of savings.

The environmental engineer was hunting for fugitive emissions -- mostly leaks, but also deliberate releases of gas -- that meant not only lost product, but posed safety and environmental concerns.

It's an issue that's garnering more attention with natural gas producers amid a crackdown on greenhouse gas emissions and industry concerns over the value of lost production.

"Every gas facility in the world has fugitive emissions; it's just a matter of what companies are doing to reduce them, or are they actually looking for them at all," said Trefiak, a manager with Target Emission Services in Calgary.

Now a private contractor, Trefiak was working for ConocoPhillips Canada when he conducted the pilot project last spring auditing 22 of the company's facilities. Traditionally, the company used estimates based on a percentage of production, but he suspected that the often hard-to-detect leaks and other processes resulted in bigger losses.

He was right.

Armed with newly available infrared equipment, Trefiak determined the company could save as much as \$10 million a year by finding and plugging simple leaks or changing traditional venting methods.

"It can actually add up to quite a bit," he said.

ConocoPhillips could also cut as much as 630,000 tonnes of CO2 emissions -- an 18 per cent reduction of its total annual emissions, he said. Some of those reductions could also one day count under

government emission reduction targets, especially any measures taken to cut back on venting on equipment such as tanks, Trefiak added.

"There are ways to reduce those venting emissions using a certain type of equipment, or changing it so it doesn't vent at all," he said.

More companies are also looking at such measures since the Alberta Energy and Utilities Board in January tightened up some of its rules around venting and flaring -- burning off gas found with oil deposits.

"All of it goes to reducing the amount of gases either being vented or flared -- reducing the amount of stuff going into the atmosphere whether or not it's just the methane itself, or whether or not it's burned," said Bob Curran, a spokesman with the provincial regulatory agency.

Alberta has made significant reductions in gas flaring and venting over the past decade, but industry has turned its attention to the issue of fugitive gases as better technology has become more readily available, said one industry official.

"It's the technology that makes us able to go out and do these things," said Brian Maynard, a spokesman with the Canadian Association of Petroleum Producers.

"This allows us to get in there and measure the impacts and see where the big sources are and start tackling those first."

Conoco's research follows other recent air quality studies that found fugitive or undetected emissions are greater than previously suspected.

Using a laser-based technology developed in the U.K., the Alberta Research Council Inc. set up the detection equipment downwind of oil and gas installations in 2003 looking for pollutants. The extremely sensitive unit generated three-dimensional images of gas plumes from well flares and gas plant stacks in amounts that were "several times higher" than previous industry estimates.

In one case, a significant methane leak was detected and fixed, resulting in a nearly

\$1 million in annual savings in lost production.

Another study of refinery emissions in 2005 also showed the amount and sources of emissions differed significantly from traditional industry estimates.

Allan Chambers, a senior research engineer who conducted the field trials funded by industry and the federal environment department, said improving detection technology will help companies reduce some emissions.

Compared to large-scale emitters such as power plants, the leaks may appear a small contributor to the total greenhouse gas picture, he said.

Still, fugitive emissions of methane from the natural gas industry may account for over three per cent of the national total of greenhouse gas emissions, according to federal environment department estimates.

"But the flip side is it's a low-cost emissions reduction," Chambers said.

"What's needed is more measurements to know for sure what the fugitives are and there are better methods that industry is adopting pretty quickly."

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Market controls the cooldown

The Calgary Herald

Mon 16 Jul 2007

Page: A14

Section: The Editorial Page

Byline: Fred Kerr

Column: Fred Kerr

Source: For The Calgary Herald

More than a year ago, I proposed that governments should not intervene to cool down the oilsands economy. That view shouldn't have been controversial.

Governments have exploited public perceptions of infinite profitability to milk the oilsands cow a little harder, without considering the cumulative impact of other governments' actions.

In the last year, the feds have revoked a Liberal tax measure intended to encourage oilsands investment and have added new environmental levies. Not to be outdone, the Alberta government has introduced new green taxes and is likely to raise oilsands royalty rates.

Widespread hand-wringing about the one per cent pre-production royalty overlooks the fact that just 10 projects make up 90 per cent of the oilsands production and that almost all of these large projects are now paying the full 25 per cent post-payout royalty.

Alberta's oilsands barrels are among the most expensive in the world to produce. U.S. consulting firm John S. Herold ranked several oil-producing countries for returns in 2006, placing Canada near the bottom, with lower returns than many countries.

Oilsands capital costs, needed for infrastructure before the oil is extracted, as well as capital required for upgrading, have risen dramatically in recent years, effectively consuming all the economic rent from higher commodity prices.

Oilsands players need to make a return on their investments. As costs soar, one would expect marginal projects to get cancelled or delayed. That is already happening in Alberta.

Last week, Yiwu Song, vice-president of Chinese National Petroleum Corp., announced that his company is reducing its investments in Alberta's oilsands. He cited long lead times for development here and said that having acquired some oilsands leases and run some numbers, "we realized that oilsands is highly capital intensive and integrated."

Translation: "Highly capital intensive" means "big fixed costs." While some cite recent oilsands investments by Total and Statoil as a sign that all is rosy in bitumen land, those giants are Alberta

oilsands newcomers who have yet to complete their detailed cost estimates. Companies who have had dozens of engineers working on their own projects for years are taking a more cautious view.

"Integrated" is industry-speak for "we need to build an upgrader to protect our margins." The Alberta government would love to see more upgraders built here, but their costs have risen so dramatically as to discourage many players, large and small.

Synenco, which operates the Northern Lights Partnership oilsands mining project, announced May 1 it cannot proceed with the downstream (upgrading) portion of that development due to expected costs so high, returns on the project would be inadequate .

On March 7, 2007, Canadian Natural Resources announced it was shelving plans to build another upgrader, citing "growing concerns relating to increased environmental costs for upgraders located in Canada, inflationary capital cost pressures and narrowing heavy oil differentials in North America."

Imperial Oil has long declined to build an upgrader in Alberta, citing cost concerns. The Edmonton Journal reported April 28, 2007: "The firm has repeatedly considered -- and rejected -- adding an upgrader, Imperial Oil spokesman Pius Rolheiser said. 'For us, it's an economics matter. Upgraders are an expensive, complex proposition. They only come in one size -- generally in the billion-dollar price range'."

On May 1, 2007, FirstEnergy Capital Corp.'s Mark Friesen wrote in his report about Synenco, subtitled A Warning Shot Across the Bow for Oilsands Economics: "Oilsands projects are not bullet-proof to basic economic realities. Higher capital costs (labour and raw materials) are primarily to blame, but other factors such as Ottawa's changes to the tax rules (royalty trusts, ACCA) and new environmental policies also carry an economic burden."

"In addition, the provincial government is considering adjustments to the oilsands royalty structure. The message to policy makers is that each project has an economic breaking point. If economics are pressed hard enough, projects will be forgone."

Friesen was prescient. The market is already slowing the oilsands, proving they are vulnerable to cost escalation, including revenue-hungry meddling by politicians pandering to greenish voters.

Will our politicians be smart enough to resist further anti-oilsands initiatives? The Harper government hasn't made any blatantly anti-oilpatch moves for a few months. On the other hand, hearing Premier Ed Stelmach refer to the Calgary Stampede as the "Alberta Stampede" at a recent breakfast does not instil confidence.

Fred Kerr lives in Calgary.

It's our oil, after all

The Calgary Herald

Mon 16 Jul 2007

Page: A15

Section: Q: Queries - Quibbles - Quirks

Column: Other Voices

Source: the Ottawa Citizen

The following editorial appears today in the Ottawa Citizen.

That China has pulled out of a \$4-billion pipeline project to carry oil from Alberta to a Pacific port is bad news for the companies involved, but no national tragedy.

PetroChina had committed to buying half the oil the pipeline could carry, but decided to use an escape option on hearing that instead of starting in 2009, the Gateway project wouldn't yield oil until 2012.

The delays include local opposition, unresolved native land claims along the route and environmental concerns over fleets of tankers ferrying oil off B.C.'s sensitive coast.

None of this would likely delay such a project in China, a PetroChina executive complained at a Calgary industry convention. The government would show more support.

True, and see what it's got them: a lot of money, yes, and global notoriety for China's terrible environmental and human rights records, and a corrupt bureaucracy known for wrecking projects it doesn't favour.

If it annoys PetroChina that Canada doesn't work that way, so be it. Canada must not throw up undue obstacles to investment, but nor should we bow to anyone with a billion dollars to spend. Although China is a vast and growing market, there's no shortage of customers for oil.

Eastern Canada rolling out welcome mat for liquefied natural gas; Three terminals under construction to handle LNG from Repsol YPF

The Edmonton Journal

Mon 16 Jul 2007

Page: A16 / FRONT

Section: Business

Byline: Gordon Jaremko

Column: Energy

Dateline: EDMONTON

Source: The Edmonton Journal

EDMONTON - While Alberta drilling and the movement on a northern pipeline stall, natural gas development is entering a new phase and migrating east.

Enter imports. Eastern Canada is rolling out a welcome mat for liquefied natural gas terminals, with two Quebec projects taking strides towards construction on top of one being built in New Brunswick.

The three unloading sites for a growing global fleet of LNG tankers will inject more supply into Canadian and United States energy markets than the maximum eventual capacity of the proposed Mackenzie Gas Project, for a fraction of the Arctic development's estimated \$16.2-billion cost.

In the eastern development lineup, the National Energy Board approved the \$350-million Emera Brunswick Pipeline. It will connect the Canaport LNG terminal, currently under construction for \$750 million at Irving Oil's St. John, N.B., refinery to northeastern U.S. and Atlantic Canadian markets.

Imports by the New Brunswick terminal -- up to 1.2-billion cubic feet per day, a river of energy equal to 330,000 barrels of oil -- will rival the planned initial capacity of the Mackenzie project.

The LNG will come from Repsol YPF, Spain's top energy firm and one of the world's 10 biggest oil and gas producers, with supply sources from the Middle East to the Caribbean.

In Quebec, the provincial government approved construction of the Cacouna Energy Project, an LNG development by Petro-Canada and TransCanada Corp. in Gros Cacouna on the south shore of the St. Lawrence 200 kilometres east of Quebec City.

The \$660-million Cacouna project includes a 500-million-cubic-feet-daily LNG terminal and a 240-kilometre pipeline providing access to markets in the northeastern U.S., Quebec and Ontario. The development schedule calls for the new gas import operation to go into service in 2009.

On the heels of the Cacouna approval, the \$840-million Rabaska project by Montreal distributor Gaz Metro, Enbridge Inc. and Gaz de France received a positive recommendation from a joint review panel of Ottawa's Canadian Environmental Assessment Agency and Quebec's Bureau d'audiences publiques sur l'environnement (BAPE).

Rabaska, on a site in the Quebec City industrial satellite town of Levis, includes a 500-million-cubic-feet-daily LNG terminal and a 42-kilometre pipeline connection to the TransQuebec & Maritimes (TQM) system. Completion is scheduled for 2010. Rabaska's target markets are Quebec and Ontario, but the additional gas entering the region is also expected to improve the availability of Canadian-produced gas for exports to the northeastern U.S.

The Rabaska group vowed to press ahead into final approval stages with provincial and federal authorities, with consortium president Glenn Kelly describing the environmental assessment report as a complete vindication for the consortium's portrayal of LNG as an economic plus and safe for nature and communities.

The book-length decision of the federal-provincial joint review panel was studded with acknowledgements of potential economic positives offered to the eastern side of North America by LNG. On the consumer side of the gas market, the perceived gains include an end to generations of complete reliance on Alberta for supplies.

The panel noted consensus among industry and government authorities that western Canadian gas supplies have either peaked or soon will, reaching a turning point that will inevitably lead to decline. Quebec is not counting on the northern pipeline to be built in time.

"Other Canadian reserves are not accessible to the continental natural gas transport network and their possible development could take several years," the report added.

The panel recalled that Quebec energy policies have since the 1970s repeatedly expressed strong interest in LNG. The latest provincial policy, promulgated last year, described imports as "of considerable interest," the assessment report noted.

The report noted that western Canadian gas supplies delivered via the TransCanada system are already tightening up in Quebec, triggering price increases and environmentally undesirable switches to heavy fuel oil by industrial plants.

"The creation of new terminals would help diversify our supplies and would have a very positive impact on regional economies, due to the jobs created at the construction phase and the spillover on other industrial investments."

Spinoffs include improved raw materials supplies for Quebec petrochemical plants and, at Levis, access to advanced and large-scale refrigeration services for other industrial operations.

"The project provides a major potential for use of LNG cryogenic potential," the review panel said. The process of converting frigid LNG into warm gas will create "cold units" -- also known as "frigories" to French engineers -- for food processing, biotechnology and pharmaceutical plants.

The chilling effect will be especially useful for industrial operations located within 500 metres of the terminal. An agreement between the project and Levis city hall calls for frigories distribution hookups.

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Environment

Marie Lake drilling plan raises concerns

The Edmonton Journal

Mon 16 Jul 2007

Page: A19

Section: Letters

Byline: David Swann

Source: The Edmonton Journal

Re: "OSUM stands by plan to drill under cottage-country lake: Residents 'don't want that mine under the lake'," The Journal, July 12.

The process of approval of auction of lands beneath Marie Lake has triggered substantial and appropriate concerns and questions about industrial development in Alberta today.

Is there any area apart from designated parks that is safe from development?

What is the plan for Alberta lands where an array of competing interests continue to press their agenda? What science is applied to establish the limits or "carrying capacity" of ecosystems, especially the watersheds in this time of declining resources?

Is a closed-door process for selling subsurface mineral rights in the public interest?

And finally, what role should citizens living and owning property in a region have in deciding the land use?

These are important and reasonable questions particularly in relation to this beautiful area valued for its animal and plant habitat, recreation and tourism assets.

The market, on which this government bases virtually all development decisions, is not a sufficient basis on which to plan our future. Good governance consists in ensuring sound science, public interest and sustainability must have priority over the market.

Marie Lake is a symbol for growing numbers of Albertans that a radical change in the pace and scope of development in this province is needed, based on a transparent plan. We demand that this government abandon its blind faith in the market and honour citizens and science in making decisions that serve our children and all future generations.

David **Swann**, MLA,

Calgary-Mountain View,

Liberal environment critic

Finance (including Pensions/Insurance)

Sask. gov't auto insurer to open local office; But Albertans won't be getting low rates offered to Sask. residents

The Edmonton Journal

Sat 14 Jul 2007

Page: B11

Section: Cityplus

Byline: Duncan Thorne

Dateline: EDMONTON

Source: The Edmonton Journal

EDMONTON - Saskatchewan's government-run auto-insurer is opening an Edmonton office, giving it a local administrative base for an insurance business it has been building quietly in Alberta.

The office, a south-side suite without a storefront, opens July 23, possibly the first of several across the province.

"It will depend how the business grows," Jon Schubert, president of Saskatchewan Government Insurance, said in a phone interview from Regina. "But it's very important for us to have a local presence in whichever province we are operating."

The Crown corporation has been selling policies in Alberta, through a subsidiary, since last summer. But it

isn't offering Albertans the same "lowest automobile insurance rates in the country" that it promises Saskatchewan residents.

Those rates are available only on mandatory basic auto-insurance, through Saskatchewan's break-even Auto Fund.

Instead, the subsidiary operating in Alberta functions much as a private insurance company, relying entirely on independent brokers to offer conventional rates on auto, home, farm and business insurance.

It uses the name SGI Canada Insurance Services Ltd., not to be confused with a Buddhist group, SGI Canada.

Schubert, who is also president of SGI Canada Insurance, says the Crown corporation wasn't being coy when it chose the SGI abbreviation.

"We didn't really think of that in that way at all," Schubert said. "It's just a name that we've used forever, I guess."

The Crown corporation has long used the SGI banner in Saskatchewan. SGI Canada is now in six other provinces, in some cases operating under different names. It is not yet in Newfoundland, Quebec or British Columbia but has talked of entering B.C.

Schubert said Alberta customers will probably have no reason -- unless they ask their brokers -- to know they're dealing with a company run by Saskatchewan's Crown insurer.

Alberta's Insurance Act once lacked any means to allow Crown corporations to sell insurance in the province. As part of broader auto-insurance reforms, the government of former premier Ralph Klein changed the law so Crown insurers and affiliates from outside the province can now do so.

SGI Canada made its first Alberta insurance sale, through an Edmonton broker, July 19, 2006. Its latest annual report shows it sold more than \$2 million in Alberta policies last year, for a \$349,000 profit.

That profit goes to the Saskatchewan government, not to Saskatchewan's Auto Fund, Schubert said.

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Dare to show vision for province

The Calgary Herald

Sat 14 Jul 2007

Page: A20

Section: The Editorial Page

Byline: Heather Douglas

Source: For the Calgary Herald

This summer, the paving crews are out diligently pouring asphalt. They are building long stretches of multi-lane freeways, repairing bridges and culverts, and fortifying sound barriers. These transportation upgrades are brought to you courtesy of some master plan (we hope) from the Department of Transportation.

Alberta is Canada's energy powerhouse. Royalties fuel our prosperity. Even if peace broke out in the Middle East today, Canada's energy superpower would still invigorate the economy.

While the oilpatch drills and produces the crude oil and natural gas (according to each company's strategic plans), our provincial government seems to lack a fiscal blueprint to manage our resource-generated wealth.

Premier Ed Stelmach and Finance Minister Lyle Oberg have asked the public for input into their next budget.

Lest they point their compass and surveying tools in the wrong direction, the Calgary Chamber of Commerce has lined up several pathways to foster capitalism and make this province an even greater place to live.

We ask them to adopt at least one of these audacious suggestions -- eliminate taxes, revamp health care, upgrade social programs, or lure leading academic talent to our universities and colleges.

If Alberta chooses, it could eliminate all taxes immediately.

That bold move would be the catalyst to lure many head offices in Toronto, Montreal and Vancouver to Calgary (if we disregard the current space and labour shortages). Conversely, a tax-free zone would put enormous pressure on all provincial and territorial governments to lower their taxes to remain competitive.

Until now, our bureaucrats viewed taxes as critical to fund public services. The Calgary Chamber of Commerce has grown hoarse asking MLAs to lower taxes. Canada has the second highest effective tax rate among OECD (Organization for Economic Co-operation and Development) countries and, in 2005, exhibited a total tax-to-GDP ratio of 41 per cent -- well above the G-7 average of 37 per cent. This threatens our international competitiveness and prosperity.

What is their response every time?

Personal tax relief is on the agenda, but "subject to affordability." Tory MLAs say that personal tax is one of the most stable revenue sources and are reluctant to provide tax relief.

We disagree. It's hard to justify taxing Albertans when the government continues to post large surpluses.

While Alberta already invests more per person in social programs than the other provinces, our government could overhaul the health-care system. Alberta's system annually drains provincial coffers by about \$10 billion -- that's \$4,820 per year per citizen (at a cost of 70 per cent government and 30 per cent private). Suppose it resolved to fund a larger mix of public and private health care?

The chamber strongly supports the public system, but we want it improved. With Alberta's tight job market, employees need timely and efficient ways to access medical attention, get better, and be able to work again quickly. When the public system cannot deliver in a timely way, our members want the opportunity to use private care facilities.

The chamber does not want to leave anyone behind. Alberta could make childcare a priority. If the province decided to pay excellent wages to childcare providers or subsidize families with young children, it could raise the standard of living for some of our lowest paid workers and enable low-

income families and single parents to provide quality care for their kids. Best of all, it would nurture and train our future workers and leaders, and cultivate in them Alberta's can-do spirit.

This province has the ability to attract the world's leading academics and transform Alberta into a true centre of knowledge and learning. If the road map highlighted education, we could become a juggernaut of scientific and medical research and development. Naturally, this would also attract the brightest students locally and globally.

With a large bank account, Alberta is poised to become a powerful enabler of innovation and design. We have the cash to lead the transition from fossil fuels to renewable forms of energy. We need strong political leadership to create a new vision for this province.

As Stelmach and his caucus draft a visionary road map to foster free enterprise, the chamber urges them to find ways to share our great fortune with all of Canada. Otherwise, we will be guilty of fostering a culture of envy and eroding the ties that bind us to our fellow Canadians.

Heather Douglas is president and CEO of the Calgary Chamber of Commerce.

www.calgarychamber.com

Alberta just may dodge the 'bust' bullet this time around

The Globe and Mail

Sat 14 Jul 2007

Page: A21

Section: Comment

Byline: Todd Hirsch

Source: Calgary-based senior economist at ATB Financial

Some things always come in pairs. Income and taxes. Salt and pepper.

Mary-Kate and Ashley. You never see one without the other.

In Alberta, you can add "boom" and "bust" to the list of famous pairs. With every economic boom comes the inevitable bust. The province has a track record that makes this a truism. It's so entrenched in the provincial psyche that, in this current boom, many Albertans are already whispering, "Yeah, it's just not going to last."

It seems that the bigger the boom, the bigger the bust that follows. Take the boom of the 1970s. Population growth, housing starts, and construction activity smashed all records.

But by 1981 - for a variety of reasons, the most obvious being the collapse of oil prices - the boom had turned into a nasty bust that lasted the better part of the next decade. The real-estate bubble had burst, a hard slap in the face for many who had overextended themselves. Some simply walked away from their mortgaged homes.

There are frightening similarities between Alberta in 1979 and Alberta in 2007. Today, real-estate prices are soaring, migration to the province is near record levels and labour shortages are the big problem du jour. Rising energy prices, particularly for crude oil, is another common theme.

Can Alberta dodge the bust bullet this time around?

While there are some eerie comparisons with the late 1970s, there are some fundamental differences too.

In the early 1980s, global energy prices collapsed for reasons related to OPEC losing its muster, increasing global supply and a sagging U.S. economy.

In 2007, however, global energy prices are being supported by starkly different factors. Surging demand in developing countries (such as China) and oil-addicted consumers in the West will ensure at least five more years of high global oil prices, according to the erudite International Energy Agency.

In short, the falling oil prices of the 1980s were being driven by a glut of supply. Today, rising prices are being driven by insatiable demand - and a lack of new supply.

None of this is to say that energy prices will never fall. But how low would they have to fall to bust Alberta's boom?

Because of extraction costs, the viability of many of the oil-sands projects becomes iffy under \$50 (U.S.) a barrel. For prices to drop below that point - and stay there - would require a series of things to happen: a major global recession, an end to geopolitical tensions in the Middle East, a sudden discovery of massive oil deposits where no one thought to look before or a wonderful new invention enabling cars to run on salt water.

A major global recession scenario is looking unlikely. Sudden peace in the Mideast seems improbable. And the other two are purely impossible.

So where does that leave Alberta? If oil prices do in fact remain at their lofty levels, it's possible that the boom-and-bust cycle could be broken. A likely scenario for the province's economy in the latter years of this decade is for the boom to be followed not by the proverbial bust, but rather by a return to moderate rates of growth. The soft landing. The sweet spot.

Already, most of the big economic indicators are pointing in this direction. Growth in Alberta's annual retail sales last year was around 15 per cent. Now it's around 8 per cent - still almost double the national average, but down nonetheless. The unemployment rate has swelled from 3.1 per cent to 3.8 per cent. Interprovincial migration is still positive, but in the first quarter of 2007, there was an actual net outflow of people back to Saskatchewan.

If Alberta can avoid a big bust this time around, it will be because the world is a different place. It won't be because the provincial economy is much more diversified, or because we've all been prudent savers and cautious spenders. Neither is true. It will only be the result of good fortune, good timing and the fact that world oil prices are likely to remain strong.

Albertans will be thankful if they are spared the misery of a bust. But they should keep their fingers crossed and credit cards paid off, just in case.

Premier's tax cut plan lauded; Canadian Taxpayers Federation head says recommendations good start, more needed

The Calgary Sun

Mon 16 Jul 2007

Page: 7

Section: News

Byline: BY DAVE DORMER, SUN MEDIA

Tax breaks and other measures designed to help Albertans keep more of their paycheques in their pockets are long overdue said Scott Hennig, the provincial head of the Canadian Taxpayers Federation.

Hennig said proposals from Premier Ed Stelmach, as mentioned in the Sun, to offer financial relief for Albertans in the form of tax breaks or child-care credits are a good start, but spending needs to be reined in as well.

"We think that Albertans are certainly overtaxed," Hennig said.

"If our government hadn't been and wouldn't continue to spend like drunken sailors, we would be able to afford greater tax cuts than what we've seen offered.

"In fact, we haven't really seen any legitimate tax relief since the 2001 budget."

Hennig said since the province adopted a 10% flat rate on income tax, Albertans were hit with what he calls a tax increase, in the form of higher health-care premiums, introduced in 2002.

"Our number one option would be to get rid of the bad taxes and the worst tax we have is the Alberta health-care premiums," he said.

"They are a regressive tax that unfairly punishes low and middle income families the most."

Hennig said health-care premiums are \$1,056 a year for a family, which can be a sizable amount for those struggling to make ends meet.

"At the \$35,000 level, it's like a 40% increase on your income tax, whereas when you're making \$135,000, it's maybe one or two percent."

Alberta Liberal leader Kevin Taft called once again on the provincial Tories to eliminate health-care premiums, something the Liberal party has been requesting for years.

"They don't even go to health care, they just go into general revenues," he said.

"Seven of the 10 provinces don't have health-care premiums and we see no reason that Alberta should.

"It's a tax cut that would benefit everyone."

But Taft isn't holding his breath while waiting for the premiums to get axed.

Health & Wellness

Infrastructure & Transportation

City's own 'Mayo Clinic' a go; Stelmach to also announce funding for next leg of Henday ring road

The Edmonton Journal

Mon 16 Jul 2007

Page: A3

Section: News

Byline: Jason Markusoff

Dateline: EDMONTON

Source: The Edmonton Journal

EDMONTON - The Conservative government will absorb the costs of spiralling inflation and expansion for the university hospital's proposed day-patient complex, which carries a price tag that has nearly doubled in two years to roughly \$1 billion.

Premier Ed Stelmach will confirm the new funding for the Edmonton Clinic next week, and will announce the next phase of the Anthony Henday ring road, senior government officials said Sunday.

Those will come during a Capital-Ex-week string of government proclamations that outshines Stelmach's recent charm offensive during the Calgary Stampede.

Officials with the city, university and health region had long anticipated and expected the big-ticket items, which were both mentioned in the province's spring budget.

But the commitments next week will help move both massive projects closer to completion, and the rollout is at least partly designed to assert that Stelmach isn't trying to bolster his image in Calgary at the neglect of the capital, insiders suggest.

"There will be announcements, but they will be coming directly from the premier," a government source said.

The premier's office refused to comment on the projects.

Meant to compare with the United States' renowned Mayo Clinic, the Edmonton Clinic is designed as a one-stop centre for local outpatients, and will also house teaching and research space for the University of Alberta's health faculties. The 170,000-square-metre complex, a joint project of Capital Health and the university, will be built across 114th Street from the university hospital.

Two years ago, the provincial government committed dollars to what was then a \$511-million complex. The dramatically higher cost comes as rampant inflation swells the budgets of big projects Alberta-wide, from public roads to private oilsands upgraders.

In the same 2005 budget as Edmonton Clinic funding was announced, the province also promised \$500 million for a Calgary health complex. Last month, the Stelmach Tories promised to fully fund the southern project's new \$1.25-billion cost.

University and health-region officials could not be reached Sunday to discuss the Edmonton Clinic project.

As for the Henday ring road, Stelmach will announce that his government is seeking bidders to start building the highway's northern portion.

The Tories are expected confirm which part gets the green light in senior-level meetings this week, but sources say the northwest leg is most ready to go ahead, and there's some talk of bundling part or all of the northeast leg into the public-private partnership as well.

Edmonton Coun. Kim Krushell said she was delighted to hear the province is about to launch another Henday phase, with the second quadrant in the southeast set to open this fall.

"This is great. You will see a reduction in traffic," Krushell predicted, with St. Albert and Castle Downs residents able to use the ring road instead of always bustling through the city. And once the ring's northern stretch is complete, it will likely divert trucks from Yellowhead Trail, she said.

Last week, Stelmach announced \$280 million in Calgary-specific projects during the Stampede, arguing he was supporting much-needed projects and not playing chequebook politics in a city that has given his first months as premier a tepid reception.

The Edmonton area's "incredible growth" is also quite worthy of Stelmach's attention, said Gene Zwozdesky, Edmonton MLA, recently named associate minister of capital planning.

"We have, on a percentage basis, similar pressures to what Calgary is facing," he said.

"And on top of that, we are the capital city."

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Intercity rail a link to the future; With a bit of vision, high-speed line could do much more than connect two cities

The Edmonton Journal

Mon 16 Jul 2007

Page: A18

Section: Opinion

Byline: David D. Watts

Source: The Edmonton Journal

A high-speed rail link between Edmonton and Calgary is more than transportation. It is more than a convenience for our two largest cities. It's more than economics, ecology or any of the other reasons given for the project. It is the future of the New Alberta.

The Alberta Corridor is the fastest-growing economic area in North America. It cuts from the U.S. border through Lethbridge, Calgary and intervening communities to the provincial capital, on to Fort McMurray and the oilsands and ultimately the territories. Reinforcing the centre of this arc with a rail line will create a new kind of community.

If sections north of Edmonton and south of Calgary are built by mid-century, Alberta will be a conduit linking Alaska and the Northwest Territories with the lower U.S. This was a role Canada played for Britain a century ago, in linking Europe and Asia. With steamers on Atlantic and Pacific Oceans and a

rail portage between, Canadian Pacific became the passage explorers had sought and builders would later cut through Panama.

Alberta can play a similar role in linking the Arctic with the rest of the Americas. We have a rudimentary rail network in place. We have the resource base to justify sections of the line. And we have a dynamic, burgeoning population, ready to take on the challenge. All we lack is an overarching vision: one that can join the dots and give the whole a *raison d'être* more embracing than the regional mega-projects we've excelled at so far.

This was the challenge Sir John A. Macdonald and the Fathers of Confederation faced in the dream of "Dominion from Sea to Sea." The components of the Dominion had thought of themselves as Maritimers, British, French Canadians, Upper Canadians and British Columbians. Getting them to think in broader terms was difficult.

Even with construction of the CPR underway, they continued to think locally. British Columbians talked secession or striking a deal with the U.S. Ontarians asked "Why are we building this railway? Canada is here where we are, and that's where the Government should focus." Getting East and West to think of themselves as part of a larger whole was the challenge of the Canadian venture.

The parallel challenge of getting Albertans to think bigger must begin by linking our northern and southern halves, laying to rest old stereotypes that divide urban and rural, and redirecting energy that feeds intercity rivalries into an enterprise that involves us all. A corridor community that blends urban and rural offers possibilities not open to mega-cities.

Alberta has two examples of a corridor coming together. The merger of a string of towns into Crowsnest Pass municipality in 1979 created a longitudinal community. The County of Strathcona brings together a city and its hinterland: a mix of town and country, industrial and urban development and acreages. The third concern is still to be addressed: a community that comprises our two major cities.

Thanks to the politics of railways a century ago, Alberta and Saskatchewan are the only provinces with two major cities of comparable size. The other two western provinces, B.C. and Manitoba, are both dominated by a single metropolitan area. Ontario and Quebec are dominated by Toronto and Montreal. In three Atlantic provinces, the situation is similar.

The domination of a region by a single urban centre presents challenges to governance. While it gives cities the base for cultural activities and infrastructure, it accentuates the "we-they" division between rural and urban residents.

Alberta's "we-they" sense is more complex. In addition to the urban-rural spread, there is the rivalry of Edmonton and Calgary. One third of the province's population lives in each of these cities, the remaining third is spread between smaller cities, towns and rural areas.

Imagine a city of six million without urban sprawl. Spread between two major centres and interspersed with assorted farmland, towns and acreages. Served by an integrated system of local and high-speed transit connecting all major centres -- universities, airports and government and business centres within two hours, outlying points within three. A single world-class orchestra. One star-studded opera company. One major league hockey franchise, one championship football team. Complementary research and educational facilities --all accessible through the corridor.

Calgarians can spend a day shopping at West Edmonton Mall and be home by nightfall. Edmontonians can visit the Calgary Zoo. The Glenbow and Royal

Alberta Museums are equally accessible to both, as are each other's sporting and cultural events. Chambers of Commerce can focus on developing something original to add to the inter-urban mix, not simply countering an initiative because "the other guys did it."

In 1936, the Canadian Pacific Railway launched a new intercity train that halved travel times in the Calgary-Edmonton corridor. Previously, local service -- stopping at all towns en route -- had taken all day. A train left Calgary at 8 in the morning, arrived at Red Deer at noon for a lunch stop and

continued north, arriving in Edmonton at the end of the working day.

CPR's Chinook, a custom-built, lightweight, streamlined trainset introduced "high speed local" service: city centre to city centre in four and three-quarter hours -- with 18 stops en route! Between stops, the Chinook reached 190 km/h. Passengers travelled in air-conditioned comfort -- new at the time -- with buffet service and first-class lounges. The train also carried mail and package express, a practice that continues in Britain, where courier companies buy space by consignment, save wear and tear on drivers, and reduce highway traffic.

An initiative by Alberta's government to link our two major cities would leave a legacy. It could halt the decline of the Progressive Conservatives and show they have new vision. Launched by a government led by another party, it could assure their tenure for a decade.

David D. Watts is an Edmonton writer

International, Intergovernmental & Aboriginal Affairs

Metis harvesting rights jeopardized by Alberta's new politicized agenda; New cabinet minister abandoning partnership with Metis Nation that earned praise across Canada

The Edmonton Journal

Sat 14 Jul 2007

Page: A19

Section: Ideas

Byline: Audrey Poitras

Column: Audrey Poitras

Source: Freelance

Last week marked a low point in the longstanding relationship between the Metis people and the Alberta government. Instead of working in partnership with the Metis Nation of Alberta (MNA), the government decided to unilaterally terminate the Interim Metis Harvesting Agreement (IMHA) that has effectively accommodated Metis harvesting rights for the last 21/2 years.

Starting July 1, the Ministry of Sustainable Resource Development (SRD), under the command of Ted Morton, will attempt to implement a paternalistic and regressive regime where the government will decide who is Metis and who has Metis harvesting rights in Alberta. This new approach is fundamentally flawed and will result in legitimate Metis harvesters having to be fearful and most likely

being charged for exercising their constitutional rights. It will also result in the Alberta taxpayer, Metis and non-Metis alike, paying the litigation price tag over the next few years because of Morton's ill-conceived and unconstitutional policy.

I want fellow Albertans to know why these recent developments are so upsetting to the Metis people. Metis live, work and pay taxes throughout this province. We are your neighbours, family and friends. Since the creation of Alberta, our people have made and continue to make important contributions to the social, cultural and economic fabric of this great province. We are not a "special interest group." We are a distinct aboriginal people with constitutionally protected harvesting rights. These harvesting rights are fundamental to how we continue to practise and preserve our culture and way of life. That is why they are protected in Canada's Constitution.

Instead of continuing to respectfully accommodate our constitutional rights, Metis harvesting has been strategically politicized. Morton made cancelling the IMHA part to his failed leadership bid. Further, Morton, the Alberta Fish and Game Association and the usual commentators who rally against all Aboriginal rights, have spread misinformation about Metis harvesting in an attempt to move public opinion.

The unfortunate result of this deliberate campaign was creating a perceived need in the Alberta government to terminate the IMHA, even though the MLA Committee tasked with looking at this issue recommended our agreement be "amended through further negotiations" and confirmed that there was "no documented evidence" of Metis abuse of natural resources. In January 2007, the Alberta Court of Queen's Bench held that the IMHA fulfilled Alberta's "constitutional imperative" to accommodate Metis rights, but that SRD needed to incorporate the agreement into Alberta regulatory regime to make it "legally enforceable". Of course, Morton made sure that did not happen.

Through all of this, the Metis Nation has focused our efforts on what we believe were good-faith negotiations. While others were out to score political points, we were at the table, with the Alberta government, in order to find an accommodation that worked for the Metis Nation and all Albertans. We believed this was the right thing to do because, over the last decade, we have had a fair and strong partner in this government. Unlike other jurisdictions, where litigation and heightened rhetoric seem to dominate Crown-Aboriginal relations, we focused on finding "made-in-Alberta" solutions to our challenges.

We have much to show for this past partnership approach: targeted training for Metis in order to respond to Alberta's labour shortages, improved educational outcomes for Metis students, the development of a Metis interpretive centre to support Alberta's tourism growth, a national reputation for being a leader in Crown-Metis relations and the IMHA.

This is why these recent actions are so disheartening. Crass politics have overtaken partnership and principles. The Metis are just the latest casualty of Morton's divide and conquer tactics in this province. While we do not want the next decade of Alberta-Metis relations to be defined by the courts, we simply cannot accept the current Alberta government's approach of ignoring our rights, shirking its constitutional obligations and disregarding the law.

The Metis people will continue to stand up and exercise our rights in this province, regardless of whether the current politics of the Alberta government can respectfully accommodate our rights. We did not choose this new approach. It has been chosen for us. We want our neighbours, family and friends to know that we still believe partnership is key to building a stronger Alberta in the 21st

century. We only hope that partnership, based on honesty, fairness and collaboration, will be back on the Alberta government's agenda with respect to Metis harvesting in the future.

Audrey Poitras is the President of the Metis Nation of Alberta. More information on Metis harvesting in Alberta is available at www.albertametis.com.

Running back to Saska-boom; Spirits are as buoyant as housing sales in Saskatchewan's largest city, as expats tired of the hustle and hassle of Alberta's hot economy are heading home

The Edmonton Journal

Sun 15 Jul 2007

Page: E3

Section: Sunday Reader

Byline: Alan Kellogg

Dateline: SASKATOON

Source: The Edmonton Journal

Hans Van Norren and Jenny Craddock moved to Edmonton from Saskatoon nine years ago.

Now they're back.

For the first time in decades, more people are leaving Alberta for Saskatchewan than the reverse. The figures are modest in the extreme: a net Saskatchewan gain of 800 souls over the last two reporting quarters of 2006. It might not last. But then, simply stemming the diaspora represents a seismic shift in itself, to mix a metaphor prairie-style.

It wasn't so long ago that the so-called smart money was on Saskatchewan virtually drying up and blowing away like so much chaff. The top provincial leadership looked at the trends and the road ahead seemed grim. Most commodity prices -- from grain to potash to uranium -- were down. Like disappearing Wheat Pool elevators, the family farm was becoming a relic of the past, as towns and hamlets withered.

The future seemed to belong to major urban centres and the province didn't really have one. In fact, the dirty little not-so-secret secret imagined the province's two medium-size cities seething with violence and racial tension, given projections of a majority aboriginal (read: young, uneducated, frustrated) population.

Then there was the mixed blessing of sharing a long border with Alberta, one of the hottest economic engines on the planet. Needless to say, the exodus west already long in progress only accelerated, as Saskatchewan citizens of all walks sought opportunities in the oilfields, classrooms, plants and office towers in their neighbouring backyard. And unlike emigres from Newfoundland or the Philippines, the action was right next door -- only a day's drive back home for Christmas, summer holidays and family reunions.

It would be reckless to pronounce Saska-

ewan's current upturn in fortunes as profound and guaranteed sustainable. Most of the weaknesses that existed during the worst times are still lurking behind the current curtain of relative prosperity. Scratch the surface on the employment front, for example, and the top-rank jobs now and likely in the future are highly prescribed.

But it would also be foolish to underestimate the proportions of the turnaround. Statistics are one thing. But as an old Saskatoon hand who returns often, I can safely report there has been a dramatic shift in mood, even among the crustiest local observers.

Things, as they like to say, are looking up for a change, and that feels good to townies. It's been a while.

No one can deny the rise in real estate prices.

Saskatoon ReMax broker Trent Lipka -- 11 years in the biz -- says he tries to avoid the "B" word. He sells all kinds -- farm and ranch, residential, commercial, recreational, you name it. It's all rising. "You hesitate to say it, but I don't know what else to call what is happening than a boom, definitely a boom.

"If it continues at this pace, I'll double my volume this year compared to last. As of June 30, I sold more than in all of 2006."

If diversified, Lipka's biggest area of activity remains in single-family homes. Like many of his competitors, he advertises in The Journal and other Alberta newspapers looking for investors. He says he's finding some, especially for smaller apartment blocks. And he is well aware of the local buzz that Alberta speculators are driving up the prices.

"But at least for me, the majority of people from Alberta buying are Saskatchewan people cashing in and moving back home. They're tired of the 45-minute commutes, the hassles. They've got huge equity, and can still find a comparable house here for much less than in Edmonton or Calgary.

"You guys are well over \$400,000 for an average single-family home. We're up, but at \$235,000."

As to whys and wherefores, Lipka cites the same factors as everyone else you ask. Commodity prices are up, oil and gas and mining continue to move, and job prospects are improving via facilities such as the University of Saskatchewan's Canadian Light Source synchrotron, a football-field-size research tool that uses extremely bright light to peer inside atoms and molecules.

The synchrotron -- a rare magnet for diverse clients in other countries -- is Canada's biggest scientific research project in 30 years. Business is apparently good. You can watch what's going on there online in real time.

On the other hand, Lipka reckons a degree of natural economic law is at hand.

"It happened to you in Edmonton. I believe a lot of this is just a market correction. There was this pent-up demand that finally popped. When you look at the disparity between us and other cities in Canada, where not much is really going on, I think you can conclude that we haven't hit the ceiling yet."

Not surprisingly, Saskatchewan Finance Minister Pat Atkinson would like to remind voters that her NDP government -- far down in the polls of late after nearly 16 years in power -- has had something to do with the good news. Fourteen consecutive balanced budgets have been served up, along with 16 credit rating upgrades.

"In 2001, Premier Lorne Calvert declared that there could be no further social progress without economic progress. So we set about to encourage that, by lowering the provincial income tax, implementing a change in the heavy oil royalty structure, investing in research and development and post-secondary education, adjusting mining taxes, lowering the provincial sales tax. If you go all the way back to 1991, we had to begin by erasing deficits and working on the debt.

"The opposition likes to say we have no plan, but anyone can see we're reaping the results of sound planning."

That said, the total provincial debt (including Crown corporations) remains formidable, projected by the government to stand at \$11.2 billion by March 2008.

All the more reason, says Atkinson, "for the federal government to honour its commitment (to not cap resource royalties), treating us the same as Alberta was once treated. As we recently told (federal Finance Minister) Jim Flaherty, Saskatch-

ewan wants to pay its way, to continue being a "have" province. We're only asking for fairness.

"The challenge now for us is to address the labour shortage, to reinvest in infrastructure, to significantly invest in affordable housing. The boom is partly speculation, but it's real, too. And we have a big template next door teaching, in many ways, how not to handle it."

Kerry Westcott of the United Brotherhood of Carpenters regional council has no doubt the local economy is genuinely hot.

"In this field, you know instantly when that's happening at negotiations time. Only three years ago, the (contractors association) was offering us a three-year contract of zero, one and one per cent. This time, it's six, six and six per cent. And we got it in about an hour. That speaks volumes."

There aren't many downsides, he figures, "although we have gone from a low-wage, low-cost economy to a situation where costs are rising and wages will be chasing that. It's going to be tough on people waiting to afford to buy a house. They may be waiting a long time."

Shuyler Jansen and his family moved to Saskatoon from Edmonton two years ago. They liked Edmonton, but there were welcoming Saskatch-

ewan familial connections for his wife, Angie Hogan, and Alberta housing prices were already too expensive for the young family.

"We lived around Argyll and 109th (Street) and it would have cost around \$250,000 to buy something before we left. Now it would be like, \$500,000. We got in here just at the right time. We're in a nice Saskatoon neighbourhood and it cost us under \$200,000.

"It's true that we could have found something affordable at the time around (Rexall Place). But we've got three kids and didn't want to be trailblazers."

As to work opportunities, he reports that has also worked out. A lab tech at the University of Alberta, Angie has found a sales position at a scientific supply company in Saskatoon. As for Jansen, for years a

staple with the band Old Reliable, his solo musical career continues apace. A new CD is forthcoming, and he's now working with Deep Dark Woods, his Saskatoon-based backup band.

"It's a slower pace here, more old-fashioned. And we like that. It also seems a bit like a new era, less competitive. And there are a lot of younger people around, who are staying or have come back."

As to what he misses about the old hometown, it's a familiar refrain.

"The food! The availability of different cultures so close at hand, which is so great about Edmonton. Of course you also miss friends and neighbours, the festivals, the town itself."

Van Norren, who worked for an Edmonton software firm, and Craddock, a contract teacher at NorQuest College, packed up and left on spec. They also have family connections in Saskatoon, evidenced in a favourable, if limited, lease on a small fixer-upper on a pleasant street not far from the city's lively Broadway district. With the old folks getting older, being close to parents was a major issue.

"Alberta wasn't the land of opportunity for me," says Craddock, surveying the roaring traffic on Saskatoon's Idylwyld freeway from her new-found, funky porch. "In an oil boom, who needs an education? Edmonton has got too big, too dirty, too busy, too stupid and too long a commute."

She admits she'll miss the food, the diversity -- and friends -- too. And she doesn't yet have a job.

Van Norren, Dutch by birth, is more measured. For one thing, it seems as if he's walked from one boomtown to another.

"Saskatoon wasn't my first choice. And we may not stay here, although this interim move makes sense. Our (Strathcona) landlady was decent. But our \$850-a-month apartment will rise to \$1,500 this month for the new tenant.

"Nothing against Edmonton, really. We'll miss things. But we used to love walking along Whyte Avenue. Now it's turning into a greasy strip. And my degree doesn't count for much in a place that needs engineers."

The same, he reasons, might hold true in Saskatoon.

No one who knows Guy Vanderhaeghe would pin the Esterhazy-born, Saskatoon-based novelist as a chamber of commerce type. Something's happening alright, he agrees, but we've seen it before.

"In Saskatchewan, these periods, from the early 1920s -- probably the best years -- to the war, postwar and the '70s, were, as today, driven by commodity prices.

"As we know, they fluctuate wildly. But when you are hewers of wood and drawers of water, it's always time for some minor optimism when the world actually wants to pay a fair price for wood and water, as it were. At least our resources are more diversified this time.

"The question is whether we can move to areas that are relatively immune from other pressures. The synchrotron is a hopeful example. If you're a scientist and need to use one, there are very few in the

world. And we should certainly now be in position to train the doctors, nurses and teachers we need, offering some incentives to stay.

"I can't even guess what the prognosis might be. On how valid and sustainable this growth is, time will only prove. But even someone like me has to admit some progress is being made, since you can actually see the activity going on.

"And that's a nice feeling we haven't seen for a long time."

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Morton defends decision to limit Metis hunting rights

The Edmonton Journal

Mon 16 Jul 2007

Page: A19

Section: Letters

Byline: Ted Morton

Source: The Edmonton Journal

Re: The column on Metis hunting rights by Audrey Poitras, Ideas, July 14.

Regarding the cancelling of the Interim Metis Harvesting Agreement (IMHA), it is important that all Albertans, particularly Metis people, receive the full story.

While it is true that I opposed the IMHA during last year's Tory leadership contest, in my new capacity as minister of sustainable resource development, I do not and cannot make such unilateral decisions.

The key driver in this process was the MLA committee appointed by former premier Ralph Klein in May 2005 to review the IMHA. I was not a member of that committee.

In March 2006, the MLA Committee reported that the IMHA's "hunt anything, anytime, anywhere" policy was not consistent with the effective conservation of Alberta's fish and wildlife, and recommended it be renegotiated.

It has been the policy of both the Klein and Stelmach governments to implement the committee's recommendations.

Negotiations were initiated in August 2006 to revise the IMHA.

Subsequently, two different Alberta judges declared the IMHA was unconstitutional because it exempted certain groups from the ordinary law of the land by executive agreement, rather than by a duly enacted law of the legislature.

The Stelmach government was now saddled with a policy that had been rejected by both the courts, and caucus. It was clearly time for a fresh start.

Accordingly, in March of this year, cabinet set a 90-day limit on the negotiations for a new harvesting agreement that would be permanent, and not interim.

Unfortunately, despite good-faith negotiations on both sides, consensus was not achieved before the 90-day deadline expired on July 1. It should be noted that I played no role in these negotiations.

The government of Alberta would prefer to have a permanent agreement to govern Metis harvesting. It will be more efficient and predictable for everyone to have an agreement that spells out who qualifies for Metis harvester status, and where and what they can hunt.

In the meanwhile, the government of Alberta will continue to respect the Metis harvesting rights as defined by the Supreme Court of Canada's 2003 Powley decision.

Our fish and wildlife officers will enforce Alberta's hunting and fishing laws, but they will give ample opportunity for anyone claiming exemption under Metis harvester status to prove that claim. The details of this process are available on the website of sustainable resource development at http://srd.alberta.ca/fishwildlife/livingwith/huntingalberta/hunting_news.aspx.

As the minister of sustainable resource development, I have a duty to ensure the sustainable management of our fish and wildlife resources.

The government of Alberta has a duty to recognize and accommodate Metis harvesting rights as defined in the Powley decision.

Alberta's first Metis harvesting agreement failed to adequately reconcile these two objectives, but there is no reason that a proper balance cannot be achieved.

The Stelmach government has made it clear that the door is opened for continued negotiations.

Ted Morton, minister, sustainable resource development, government of Alberta

Justice & Attorney General

Municipal Affairs & Housing

Rent assistance funds won't last long; Edmonton's share of \$9 million likely gone by September

The Edmonton Journal

Sun 15 Jul 2007

Page: A12

Section: Cityplus

Dateline: EDMONTON

Source: The Edmonton Journal

EDMONTON - Edmonton's share of a new provincial rent assistance program is likely to dry up by the end of September, says an official from the Capital Region Housing Corporation, which distributes the money.

The city received approximately \$2.35 million of the \$9-million fund, which was created in April to ease the province's housing crunch. The money was meant to last until March 2008.

On Wednesday, Yvonne Fritz, associate minister of Affordable Housing, said Albertans had been using the fund extensively and she would ask her colleagues for more money to keep the program running.

In Edmonton, demand for the rent assistance fund appears similar to the rest of the province.

"We probably won't be able to add any additional subsidies after the end of September," said Barb Sommerfield, manager of the Capital Region Housing Corporation's affordable housing program on Friday. "(But) for the clients already placed under the program, they will get their money for the full year."

The housing corporation has given funds to about 120 clients already.

Unlike other rent assistance programs, the fund provides money directly to recipients rather than to landlords. Those applying to the fund must meet the core needs income threshold, a set of eligibility criteria laid out by the province.

Sommerfield said clients have generally been pleased with the provincial fund, but are concerned the money they receive will be counted as taxable income. "Our information is it will probably become a taxable income at the end of the year."

Seniors & Community Supports

Service Alberta

Solicitor General & Public Security

Sustainable Resource Development

Tourism, Parks, Recreation & Culture

***Miscellaneous Government**

Fall Alberta election possible; Stelmach 'keeping all his options open'

The Calgary Herald

Sat 14 Jul 2007

Page: A8

Section: News

Byline: Tony Seskus

Source: Calgary Herald

With Premier Ed Stelmach's government launching a full-scale charm offensive during Stampede week, rumours abound that the ruling Tories are considering a fall election.

Stelmach has previously said he favours a general election next spring -- timing that a number of Conservative MLAs support -- but a senior official acknowledged Friday the premier is "keeping all his options open."

"The premier is the only person that knows when the election is going to take place," said Paul Stanway, the premier's communications director. "No decision has been taken and I'm sure the premier would like to keep his options open."

The comments follow a week where Stelmach and several Conservative MLAs went on a Stampede blitz of funding announcements, photo ops and media interviews.

In a handful of days, the Tories pledged more than \$280 million for Calgary -- a move interpreted by political observers as a bid to shore up support after a surprising byelection loss in the city.

Political analyst David Taras says there's an argument for a fall election. A Leger Marketing survey of Albertans released earlier this month showed the Conservative party's support falling to 39 per cent in June, down from 54 per cent in September 2006.

"If you delay (an election), at this rate of hemorrhage, it just may be that next year at this time there's a lot less support for the premier, and it becomes much more of an uphill battle," Taras said.

Working in the Tories' favour for a quick strike are robust campaign coffers and a healthy economy that allows for more promises, he added. As well, Liberal Leader Kevin **Taft** has yet to emerge in the public mind as a prospective premier, said the University of Calgary professor.

"Stelmach could win -- it's not going to look pretty . . . but he wins," Taras said. "The further out, the more the Liberals can start getting some star candidates."

But Leger pollster Marc Tremblay suggests the Conservatives might be better off to wait for the slide in opinion polls to end. Based on current figures, Tremblay feels Stelmach would still win a majority government.

"I suspect it's going to stabilize, personally," he added.

There appears to be improving optimism in the local Tory ranks. Calgary-Shaw MLA Cindy Ady, recently appointed associate minister of tourism promotion, believes the government has had a few good weeks in the city.

She contends the government can build momentum with a packed fall agenda, adding that election talk is pure speculation.

"This government is going to be very busy in the fall. I don't think they're going to be looking to an election," she said.

Other Tory MLAs maintained that the past week had nothing to do with electoral politics.

"If anybody was to say that our government is buttering up Calgarians, honestly, this week was no different than any other," said Calgary-Lougheed MLA Dave Rodney, chairman of the Tory Calgary caucus.

Calgary-Currie MLA Dave Taylor, one of four local Liberals, said he's got wind of rumours about a fall election, but has also heard the government could wait for two more years. Officially, the government can hold out until November 2009.

"I'd rather be where I am today than where Ed Stelmach is today," he said. "He has to make a decision when to pull the trigger -- and he has to pray to the Almighty that he doesn't screw it up."

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Cowtown mayor won't hide from pies!

The Edmonton Sun

Sat 14 Jul 2007

Page: 7

Section: News

Byline: BY BILL KAUFMANN, SUN MEDIA

Dateline: CALGARY

Mayor Dave Bronconnier said he won't alter his public routine, a day after being attacked by a pie-wielding assailant.

A spokesman for his office said security will be reviewed following Thursday's incident at Olympic Plaza in which a banana cream pie was thrown into the mayor's face as he prepared to cross Macleod Trail.

But a defiant Bronconnier said the incident won't keep him away from being physically close to the public.

"I'm not changing my routine one iota," he said.

"It's not going to deter me, which is to be out with the citizens you serve."

Bronconnier noted a similar assault was attempted on Premier Ed Stelmach on Monday at a downtown pancake breakfast, and called it an attack on democracy.

"This is a step back, dare I say, as a flavour-of-the-month assault - it's a deterioration of the democratic society when you feel you can't interact with the citizens," he said.

Charged with assault with a weapon, drug possession and two outstanding warrants is anti-poverty activist Donna McPhee, 56.

She's said her initial target was Stelmach, a comment that drew a comic response from Bronconnier.

"I'm second fiddle, she didn't even want me," said Bronconnier, who also emphasized he takes the incident seriously.

"We're working very hard as a community to end violence and this is a personal assault."

The suspect was quickly arrested by an undercover city police officer, said Bronconnier, adding such incidents could potentially yield more tragic results if security reacts with more force.

"There's the issue of innocent bystanders - security people have a job to do, too," he said.

Bronconnier wouldn't say how long a sentence his assailant, if convicted, should serve though he noted Christopher Geoghegan, who punched a pie into then-premier Ralph Klein's face in 2003, served 30 days on weekends.

Ald. Gord Lowe said it would be a shame if security around the mayor was significantly tightened.

"What really disturbs me is if you have to put any more kinds of security measures in place, that you can't go to the mall by yourself," he said, calling the pie attack "childish and boorish."

"Should we throw the book at them? We should - it's just about the worst behaviour possible."

He said such acts shouldn't place a chilling effect on verbal, peaceful protest.

Pie was first intended for premier

The Edmonton Journal

Sat 14 Jul 2007

Page: B5

Section: Cityplus/Alberta

Dateline: CALGARY

Source: Calgary Herald; CanWest News Service

CALGARY - A woman who admits she smacked Calgary Mayor Dave Bronconnier in the face with a cream pie says he wasn't the original target.

Donna McPhee says she was waiting to ambush Premier Ed Stelmach as he left an interview at a local television station.

But the premier left the building through another door, so McPhee was left with a banana cream pie and no politician until she saw Bronconnier around noon on Thursday.

"He was going to be on the list anyway, so why ruin the pie?" she said Friday.

McPhee said she targeted Bronconnier to make a statement about the way the city treats the homeless.

Bronconnier said he was disappointed with the method she used to get his attention.

"This hurts democracy, it doesn't help it," he said. "Violence, whether it be a public official or any citizen is unacceptable in this community.

"It's something we take very seriously."

McPhee, 56, has been charged with assault with a weapon and possession of a narcotic. She will appear in court in mid-August.

Stelmach will woo us with cash

The Edmonton Sun

Sun 15 Jul 2007

Page: 7

Section: News

Byline: BY NEIL WAUGH, EDMONTON SUN

Stampede's over, the crowds have gone home and the cowboys are all down the road.

Now it's Edmonton's turn to party.

And while Premier Ed Stelmach's Wild Week in Cowtown turned into Cowboy Christmas, will the capital receive the same gusher of goodies that the PCs showered on Alberta's Second City?

The word is yes.

Or as one Top Tory said "you've got to do both."

While Stelmach may be slipping in the polls in Calgary, as its politically ambitious mayor Dave Bronconnier tries to deflect his own leadership deficit by pinning the blame on the provincial government, Edmonton all but slipped out of PC hands three years ago when Ralph Klein's Election About Nothing resulted in a Tory blowout in the capital.

And the polling numbers in Redmonton don't show a return to the blue and orange anytime soon. Even the hoped-for Pyrogy Bounce - where Edmontonians of Ukrainian heritage would come back to favourite son Ed - has yet to show up. Maybe pyrogies don't bounce.

So winning back Edmonton should be more of a priority than soothing the Calgary mayor's owies.

There was promises of more new schools, expansion of the southwest ring road through the Sarcee First Nation, money for Meals on Wheels, and a \$15-million cheque for the Stampede board.

Unfortunately the biggest chunk of political lard - \$250 million for the University of Calgary to build a sustainable energy building and create 1,000 student spaces - got little jump.

This turned out to be a Cathedral for the Kyoto Kult. And the 1,000 spaces weren't for priority professions like doctors, nurses and teachers, but for students who want to study "innovative solutions to Alberta's energy and environmental challenges."

Certainly it doesn't appear that Stelmach's braintrust is willing to get caught in the same trap twice.

It's going to be "let the good times roll" shortly after Ed's Capital Ex breakfast grills its first flapjack on the Legislature grounds next Monday morning. Expect to hear a lot about new money for University hospital's state-of-the-art outpatient clinic, which will be a few ticks shy of a billion bucks. That matches what the Calgary Health Authority got for the new south hospital.

A new leg of the Anthony Henday will also be rolled out, although there's still some last-minute caucus debate whether it'll be the northeast or northwest. Built as a P3.

Edmonton Northlands will get an injection of fresh capital similar to what the Stampede got. And there could be other goodies. Still, Mayor Stephen Mandel is destined to be heartbroken.

While Calgary's Bronconnier has been the big city pol holding Stelmach's feet to the fire, and played a lead role in the demotion of Treasury Board president Lloyd Snelgrove, Municipal Affairs Minister Ray Danyluk and the rapid rise of Stelmach's new Deputy Premier Ron Stevens, Howie has strictly been a passenger.

Mandel's ideas of creative taxes on things like real estate transfers, and lobbying for a share of provincial oil royalties, will remain pipedreams.

A bit hard to swallow

The Edmonton Journal

Sun 15 Jul 2007

Page: A14

Section: Opinion

Source: The Edmonton Journal

Maybe Ed Stelmach ate too many pancakes last week. Maybe it was indigestion that made him refer to the Calgary Stampede as the "Alberta Stampede."

What an insult to the hosts, who boast that their annual Wild West party is the "greatest outdoor show on Earth." Such a faux pas is exactly what Calgarians would expect from a northern premier, a politician they haven't understood and, now, still don't.

But then again, maybe Stelmach was just settling an old score with Ted Morton. The Calgary-area cabinet minister stepped on a cowpie of his own when he called Edmonton the "capital of northern Alberta" during the Conservative leadership race last year. Who knew the capital had been split?

It turns out Alberta politicians aren't the ONLY ones geographically challenged. Canada's self-proclaimed national newspaper stepped in sticky doo-doo of its own this week. The Globe and Mail, based in Toronto, used a photo of an oilsands mine near Fort McMurray, four hours drive north, to illustrate Edmonton's vibrant cultural life. Now that was eye-catching. Does that mean Toronto's cultural life would be best identified by, say, the big nickel in Sudbury, a mining town three hours north?

NEXT TIME, USE YOUR HEAD

Speaking of dyspepsia, it's hard to fathom what U.S. security czar Michael Chertoff thought he was doing when he mused to reporters that he had a "gut feeling" there would be a significant terrorist attack -- or attempted attack -- on U.S. soil "this summer." Chertoff was not backing this up with any facts or new intelligence reports beyond increased Internet chatter, and said he is not prepared to move the official Department of Homeland Security threat assessment beyond the current "yellow" or elevated level.

The statement sent Congress into a tizzy and prompted quick denials from the White House. Bush said "My gut tells me that which my head tells as well, is that: When we find a credible threat, we'll share it with you."

Perhaps behind the scenes, Bush should have made a credible threat of his own to Chertoff: Stop freaking out the country without evidence.

WHO SAYS WE CAN'T HAVE IT ALL?

Retiring city councillor Janice Melnychuk last week panned the city's \$26-

million plans to plow the streets within 48 hours of a major snowstorm, saying that money would be better spent fixing old neighbourhoods.

Here's a novel idea for the people who run "discount city" -- do both.

Most other cities in Canada set their budget priorities and then set taxes accordingly. In Edmonton, the process seems oddly reversed.

Municipal taxes in Edmonton are considerably lower than most major cities in Canada and, not surprisingly, so are services. Perhaps there was a time when that was considered part of Edmonton's pioneer charm and Klondike spirit. But the city's population has boomed over the past decade and the novelty of navigating the choked arteries wore thin long ago.

Melnychuk should know that having one's roads cleaned in a timely fashion is not "Cadillac." It's pretty basic stuff.

AT LEAST THERE WERE NO LIONS

Emergency dispatchers probably get 911 calls about elephants more often than one would think -- but usually those are of the pink variety.

So kudos to the York Regional Police dispatchers for taking seriously an early morning caller from Newmarket, Ont., when he phoned to alert them to the fact that two pachyderms, now identified as Suzy and Bunny, were on the loose.

The caller, who sounded like a young man, could have been easy to dismiss, especially with a cohort of girls giggling in the background at the bizarre situation they were witnessing.

A questioning, but still calm, "Sorry?" from the dispatcher after the caller's first statement that "we've found an elephant walking down the street," and a slight pause, was the closest he came to incredulity.

Indeed, the two circus elephants had escaped their enclosure and headed out for an early-morning snack of tree leaves and grass after an electric fence was accidentally disabled.

If only Sharon, Lois and Bram had been on hand to provide the background music.

HIPPOCRATES VS. WHITE HOUSE

Hidden beneath the litany of bad news for President George W. Bush last week was one more deep and significant kick from one of his former cabinet insiders, former surgeon general Richard Carmona. For six years, Carmona toed the party line as that nation's top doctor. But now back in civilian life, Carmona is ready to blow the whistle on how religious dogma and right-wing ideology interfered with his ability to advise Americans on how they can best care for themselves.

Not surprisingly, Carmona says he was muzzled on matters pertaining to stem cell research. But he said he was also not allowed to discuss contraception and the morning-after pill, and was instead told to advocate abstinence-only sex education.

This is not the first time the White House has meddled in the mission of the surgeon general's office, but it serves to show the degree to which ideology trumps all in the current administration. It also serves as a warning to the rest of the world that other countries had best stop looking to the U.S. for leadership in the area of public health.

Stephen Mandel shadow boxing

The Edmonton Sun

Sun 15 Jul 2007

Page: 15

Section: Editorial/Opinion

Byline: BY NEIL WAUGH

Column: Editorial

Edmontonians are well into summer now. It's too hot to fish and too hot for golf and it's clearly too cold to start thinking about municipal politics.

Save that for after Labour Day when the countdown to the mid-October civic elections traditionally kicks off.

Even though the vote seems like it's a long way off, trends are starting to develop. It's clear that Edmontonians will have a new-look city council with several veteran councillors already indicating they won't let their names stand again.

Renewal is always good. And quite frankly, it's time to get some fresh faces under the pyramids, since city council is increasingly losing touch with its primary purpose.

It's supposed to deliver good, efficient and effective basic municipal services, like proper snow removal and street maintenance and a credible and respected police force.

Picking fights with other municipalities in the region and embarking on expensive flights of fancy are clearly not Job One for Edmonton's municipal politicians.

Unfortunately for Edmontonians, it appears they will be denied a choice when it comes to voting in a mayor for the next three years.

To mount an effective campaign, potential candidates should have come out of the political woodwork by this time and begun to build their programs and profiles.

None have, which is too bad.

This hasn't stopped incumbent Stephen Mandel from cranking up his re-election machinery - which has been pretty well up to speed since his State of the City address to the Edmonton Chamber of Commerce.

Right now, however, Mandel is running against air.

And that's strange because a recent Angus Reid forum poll revealed all is not well for the man in the driver's seat at No. 1 Sir Winston Churchill Square. More than half of the poll respondents said "no" when asked "is Stephen Mandel doing a good job as mayor of Edmonton?"

It was a straw poll rather than a scientific survey, so the results can be disputed.

But it does indicate that a serious number of Edmonton voters will be effectively disenfranchised in the fall elections if they don't have a choice of candidates for the mayor's job.

And this is neither good for democracy nor Mandel.

The mayor has certainly shown a number of shortcomings that at times seem to overshadow his strengths.

His lack of willpower in tackling the basics or standing up to the Stelmach Conservatives - who appear to be lavishing special funding on Calgary - has added to Mandel's political problems.

All this and more needs to be thoroughly debated on the campaign trail this fall.

But as it stands now, Mandel appears headed for a walkover win in October.

And that's not healthy for anybody.

***New Premier (Stelmach)**

Columnists

Graham Thomson, The Edmonton Journal**Don Braid, Calgary Herald****Tories getting vessel ship-shape**

The Calgary Herald

Sat 14 Jul 2007

Page: A8

Section: News

Byline: Don Braid

Column: Don Braid

Source: Calgary Herald

Big change is afoot in Premier Ed Stelmach's camp, affecting the bureaucracy, personal staff and cabinet roles.

The premier will spend the rest of the summer dealing with these switches, and then, maybe, call an election in the fall.

Until now Stelmach & Co. have stuck to a one-note theme -- there would be no election until next spring.

Now, hints are emerging that a provincewide vote could come this year.

And maybe it should, because Stelmach would be unwise to try to last more than a year without a mandate from the voters.

The shakeups in government are exactly what tends to happen when the ship is being trimmed for battle.

Most striking is the departure of Leanne Strangeland as managing director of the crucial public affairs bureau.

She's leaving at the end of the summer, ostensibly for family reasons.

The background buzz, though, is that her relations with Ron Glen, Stelmach's chief of staff, have been less than smooth.

At the same time, a bright spark named Elan MacDonald has reappeared in the premier's office after maternity leave. Rumours that she's now running much of Ron Glen's show are unfounded -- or so I'm told. Whatever the reality, MacDonald is widely viewed as one of the smartest people in the legislature.

There's a shakeup in the premier's McDougall Centre office as well. Jim Law, who has worked on public relations for 14 years, is leaving for a job in the Edmonton bureaucracy. Interviews for his replacement are down to a short list.

Some ministers' assistants have either been turfed or left, always for those good old "family reasons."

Several shifts are expected at the lofty deputy minister level as well.

One department ripe for change is municipal affairs, where twin crises, over housing and municipal funding, became train wrecks on parallel tracks in the spring.

On the political front in Calgary, new associate minister Cindy Ady is expected to take on a high profile.

There was much talk of tokenism when Ady became associate minister of tourism promotion. It seems like an invented puff job. Ady sometimes looks a bit pained when nobody asks her questions at news conferences with other ministers.

But tourism is a crucial challenge because the rising dollar is discouraging visitors and causing problems for the industry. A new tourism drive could be coming soon, as well as major funding to upgrade Calgary's Olympic facilities as training sites for the Vancouver Olympics.

Stelmach is already said to be delighted with Yvonne Fritz, who took the housing responsibility from Ray Danyluk, the beleaguered municipal affairs minister. It was tough to make a very large rural biker look empathetic about urban housing problems. Danyluk might well have felt the pain, but he couldn't show it.

Fritz, though, is a talkative, sentimental sort who fits the role much better.

Stelmach and his crew have a lot of fine tuning to do before they'll be ready for an election. Most of all, they have to find a central political theme that makes sense to voters.

But it now seems just possible they could pull the plug this fall. The best guess would be a voting day in late November -- perhaps Nov. 26 -- after the Oct. 15 civic elections are out of the way.

dbraid@shaw.ca

Les Brost, Calgary Herald

Rick Bell, Calgary Sun

Jingle in your jeans; Premier Ed focusing on the family for spring budget as province considers monthly cash for kids under six

The Calgary Sun

Sun 15 Jul 2007

Page: 5

Section: News

Byline: BY RICK BELL

Column: Page Five

Tax breaks. First the spending, now the giving back.

You found out earlier this week in the Sun about the premier pressing for a deal to get the southwest ring road going. Expect fountain pens to come out later this year.

We will also see middle school and high school construction in Calgary, with a proposal soon heading to the province's Treasury Board.

Gene Zwozdesky, Alberta's boss of planning bricks and mortar, says Premier Ed "has indicated to myself and Education Minister Ron Liepert he has these schools as priorities and wants them addressed."

Now, as part of a Stampede sitdown gab with Premier Ed, the new provincial main man is also talking about next spring's budget, which will likely include tax relief, including the province possibly matching Ottawa's \$100 monthly cash for kids.

There won't, however, be any Eddie Money.

"It won't be in the form of a bonus cheque. I'm going to do something long term," says the premier, of the \$400 Ralphbucks doled out when Ralph was fighting to keep his job as Tory leader and didn't.

Ed says his tall foreheads are now looking at the implications of lowering the province's 10% flat tax rate or raising the amount of income you can make before beginning to pay Alberta taxes.

Either way, it's more jingle in your jeans.

"What's the best way in the long term? We're going to have some good information coming to us in terms of advice," says the premier.

"I want to see how we get the broadest number of people to benefit. I don't want to do anything spur of the moment or knee-jerk or something not carrying us into what our vision is for the province of Alberta 20 years from now." Ed's main concern, and he gets animated when he talks about the subject, is for those folks raising children.

"I'll tell you Rick, my focus is on families. We've got to support families in the province of Alberta. We have to support them through the kind of pressures we see in housing. After all, we want to encourage more families to move to the province.

"To me, when I talk to people under 35, especially if they're raising a family, it's tough. And yet we say we want more children."

One piece of advice the boss gets this week is to do what the feds did and put in a taxable \$100 monthly for all kids under six.

"Why doesn't Alberta match it?" asks Ed, who is in the position to get his questions answered.

Ralphbucks aside, talk of tax relief has been on the back burner. But, in the heady days of the budget-balancing Ralpholution from '93 to '96, six Tory backbenchers slammed their own government every time the bigwigs looked like they were straying from the plan to get rid of the deficit.

The backbenchers were called the Deep Six and Ed was one of the gang. So was Lyle Oberg, now Ed's finance boss. And, seven years ago, rank-and-file Tories also voted to scrap the provincial income tax by 2005 and get rid of health-care premiums.

Like that ever happened.

Now tax talk is back in the conversation. We shall see.

While in Calgary, another problem where Ed gets an earful is housing. This week, the NDP opposition calls on the Tories to put in rent controls for two years. That dog won't hunt but others apparently will.

"We made a decision and we're sticking to it. We're not going to rent controls," insists the premier.

"In Calgary, we must get a better feel from the community of what we can do. It's fine to bring in the professionals. But I heard from restaurant operators and a lot of small businesses who say they can't attract the skills. They can't find people, even on a temporary foreign worker basis because of the cost of living."

One morsel to be chewed on is raising the income level for people to be able to qualify for rent supplements.

"We took a guesstimate. If it's an issue, we'll revisit it," says Premier Ed, who adds the housing file is "a continuing concern."

The province also still ponders tax incentives for builders to encourage them to put up apartments.

Well, the premier has talked up a good game during Stampede, signalling a shift in tone, encouraged by his real critics and influenced not one iota by pukers with pies who think change comes easy.

Bruce Cameron, the local pollster who so accurately spotted the massive drop in Tory popularity here, says the question now is whether Ed is "too far down in the tailspin to pull out of it."

Bruce says doing the right thing is only the first step.

"They need to win a lot of hearts. It's a tough road uphill. Besides, unless you give away beer, it's pretty hard to be heard during Stampede."