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Advanced Education & Technology

Alberta ranks fourth for highest tuition fees; University students pay \$4,964 this fall

The Calgary Herald

Fri 19 Oct 2007

Page: B7

Section: City & Region

Byline: Deborah Tetley and Janice Tibbetts

Source: Calgary Herald and CanWest News Service

The average Alberta undergraduate university student is paying \$201 more to attend classes this fall than other Canadian students, according to a new report by Statistics Canada.

This despite two years of tuition freezes and a new provincial government policy aimed at limiting increases, note student leaders.

At an average fee of \$4,964 per year, Alberta moved up the list to become one of Canada's top four most expensive provinces to attend university this fall, according to the report.

"It's a little shocking after all the effort we put in trying to make education more affordable," said Duncan Wojtaszek, executive director of Council of Alberta University Students.

"Now we've gone from being the sixth most expensive province to the fourth," he said.

Mike Selnes, external vice-president for the undergraduate students' union at the University of Calgary, agreed.

"It is disappointing to see tuition go up in Alberta while other provinces are taking measures to freeze and even lower tuition," he said.

Statistics Canada reported Thursday that Ontario, Quebec, Alberta and New Brunswick led the country in tuition increases for the 2007-2008 academic year, while Nova Scotia and Prince Edward Island slashed their fees by nine and 10 per cent.

According to Statistics Canada, six provinces raised fees and the overall average tuition for full-time undergraduate studies was \$4,524, a 2.3 per cent increase that was significantly short of the 4.3 per cent average hike over the last decade.

Student leaders acknowledged that universities have steadily retreated over the last several years from sharp tuition increases of the 1990s.

But the Canadian Federation of Students and the Canadian Alliance of Student Associations said that any increase is too much and that governments must "turn the corner" on chronic underfunding of post-secondary institutions that is responsible for high tuition rates.

"At the end of the day, even if there was a freeze across the country, fees are still too high," said Ian Boyco, CFS government relations co-ordinator.

The biggest increases were in New Brunswick and in Quebec, where fees rose 4.8 per cent, followed by Ontario at 4.4 per cent and Alberta at 4.2 per cent.

The Quebec government, under pressure from universities, approved a \$100-per-year tuition increase, putting fees for Quebecers at \$2,025, which is still the lowest in the country and less than half the national average. Nova Scotia imposed a freeze for the first time, and cut tuition by \$500 for its own residents, but the concession still kept the average fee the highest in the country, at \$5,878.

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Agriculture & Food

Alberta producers to receive transitional help

Leduc Representative

Thu 18 Oct 2007

Page: 11

Section: News

Alberta producers will receive \$165 million in transitional assistance to help offset rising costs facing the livestock sector.

The new Alberta Farm Recovery Plan (AFRP) will address the economic strain brought on by the rising costs of fuel, feed and fertilizer.

"The Alberta Farm Recovery Plan will provide transitional, short-term assistance primarily to the livestock sector at the producer level to help adjust to these economic challenges," said George Groeneveld, Minister of Alberta Agriculture and Food.

Delivery of the Alberta Farm Recovery Plan will commence early November, with an expected completion date in early 2008 for all eligible producers. Payments will be based on the 2006 Canadian Agricultural Income Stabilization (CAIS) program information. For producers who are in the CAIS program, the calculations will be automatic and they will not need to submit an application. Producers who do not participate in CAIS will have until December 31, 2007 to apply.

Complete program details will be made available to producers shortly

Employment, Immigration & Industry

Nova Scotia to ban health-care strikes; But measure didn't work in Alberta-- report

National Post

Fri 19 Oct 2007

Page: A10

Section: Canada

Dateline: HALIFAX

Source: CanWest News Service

HALIFAX - On the heels of a report that says it won't work -- based on the Alberta experience-- the Nova Scotia government moved ahead yesterday with legislation to ban health-care strikes.

Labour Minister Mark Parent said the draft legislation protected the health and safety of the public while preserving the collective bargaining process. It provided the parties with dispute-resolution options that include binding mediation and binding arbitration.

"These dispute-resolution options are fair and impartial. They will settle disputes and ensure uninterrupted access to

health services for Nova Scotians," said Mr. Parent.

But a report yesterday by the Canadian Centre for Policy Alternatives said the legislation could cause more labour disruptions.

The report, *A Tale of Two Provinces*, compared hospital strikes in Alberta, which banned them a quarter-century ago, with Nova Scotia.

Authors Judy and Larry Haiven, of Saint Mary's University in Halifax, warned that Alberta had lost 15 times more work days because of illegal health-care strikes there, than Nova Scotia in that period.

"Not only does the removal of the right to strike not guarantee that strikes will stop," said Judy Haiven, "it may also have an unintended consequence: Strike activity could increase."

In Alberta, several health-sector unions have defied the strike ban. In 1988, the nurses union had an illegal strike despite the threat of penalties, and was eventually fined \$400,000.

Licensed practical nurses and nursing assistants in Alberta also went on strike in 1988 and 2000.

The provinces and territories regulate health-care strikes in different ways.

In Saskatchewan, unions can legally strike when their collective agreements expire and certain conditions have been met. The negotiation of "emergency services" during a strike is left up to the parties involved.

Alberta, P.E.I. and Ontario ban health-care strikes entirely, substituting binding arbitration if the parties cannot resolve their differences.

In other jurisdictions, health-care strikes are legal but there is some form of legislatively mandated process whereby emergency services are determined -- in the case of Quebec, that means up to 90% of health workers must be on duty during a strike.

The authors say the real problem in Nova Scotia is the shortage of health-care workers. They recommend that instead of banning health strikes, the government maintain collective bargaining.

The proposed N.S. legislation is the result of public consultations that began in June.

"Throughout this process, it became apparent that we all share a common concern, the concern for the patients and residents in nursing homes, hospitals, and residential support facilities," said Mr. Parent.

"That's why we have drafted this legislation. We are balancing this concern with the desire to preserve free, fair and impartial collective bargaining."

The draft legislation provides that if the parties reach an impasse, the employer and union may jointly ask an arbitration board to conduct mediation or the union can on its own require a board to conduct binding mediation.

N.S. moves to ban strikes in health care; Report advised against using Alberta model

The Edmonton Journal

Fri 19 Oct 2007

Page: A7

Section: News

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"These dispute resolution options are fair and impartial. They will settle disputes and ensure uninterrupted access to health services for Nova Scotians," said Parent.

But a report Thursday by the Canadian Centre for Policy Alternatives says the legislation could cause more labour disruptions.

The report, *A Tale of Two Provinces*, compares hospital strikes in Alberta, which banned them 25 years ago, with Nova Scotia.

Authors Judy and Larry Haiven, of Saint Mary's University in Halifax, warn that Alberta has lost 15 times more work days because of illegal health-care strikes since walkouts were made illegal.

"Not only does the removal of the right to strike not guarantee that strikes will stop," says Judy Haiven, "it may also have an unintended consequence: strike activity could increase."

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The Edmonton Journal

Fri 19 Oct 2007

Page: E3

Section: Business

Dateline: EDMONTON

Source: The Edmonton Journal

EDMONTON - Weyerhaeuser says poor markets are forcing it to close three panel board plants in North America, including its oriented strand board mill in Drayton Valley.

The Drayton Valley mill, with 132 employees, will close by year's end, as will plants in Wawa, Ont., and Deerwood Minn.

"The decline in North American housing starts has reduced demand for wood products, requiring us to rationalize our supply of OSB and engineered wood," said Steven Rogel, chairman, president and chief executive officer. "We remain committed to these markets.

"This move enables our remaining plants to better execute our customer strategies."

Much of Alberta's panel board and lumber is destined for markets in the U.S., where housing starts are at a 14-year low.

The Drayton Valley mill produces 415 million square feet of panel board annually.

An adjacent lumber sawmill in Drayton Valley is not affected by the closure.

Weyerhaeuser said it will provide the affected employees with severance pay as well as job-transition services and counselling, the company said.

Union-busting move shot down; Appeal court overturns Finning ruling

The Edmonton Sun

Fri 19 Oct 2007

Page: 21

Section: News

Byline: BY RENATO GANDIA, SUN MEDIA

A labour union group celebrated a victory yesterday after the Alberta Court of Appeal overturned a controversial labour board decision Wednesday that allowed Finning Canada to rid itself of a union collective agreement in 2005.

"This is an important decision by the three justices of the Court of Appeals," said Gil McGowan, president of Alberta Federation of Labour. "It reverses a terrible decision by the Alberta Labour Relations Board."

Finning had created a new blueprint for union busting and the labour board was letting them get away with it, McGowan said.

The labour dispute was fuelled by Finning setting up a new company, OEM Remanufacturing, to take over its rebuilding operations in 2004.

In the transfer in 2005, OEM evaded the existing contract with the International Association of Machinists Lodge 99 (IAM 99) and instead signed a contract with the Christian Labour Association of Canada.

The labour board heard the complicated case twice. It then went to the Court of Queen's Bench before reaching the appeal court, which ruled in favour of the union.

Finning is reviewing the court decision, spokesman Joanne Miller told Sun Media last night.

"It's a very complex issue. It's going to take us some time to review this in consultation with our legal counsel."

Miller declined to comment any further.

"It was a thinly veiled attempt to bust our union and we were determined to fight it," said Bob MacKinnon, president of IAM 99. "This is an important day for the machinists, for all unionized workers ... and for the democratic process."

Finning distributes Caterpillar heavy equipment in Western Canada.

Energy

Panelist breaks ranks; Royalty conclusions 'overly aggressive'

National Post

Fri 19 Oct 2007

Page: FP1

Section: Financial Post

Byline: Claudia Cattaneo And Jon Harding

Source: Financial Post

A key member of the panel that recommended controversial increases to oil and gas royalties in Alberta has distanced herself from its conclusions, calling them "overly aggressive" and "dumb" in some cases.

Judith Dwarkin, chief economist at Ross Smith Energy Group Ltd., a top Calgary-based independent energy research firm, co-wrote a new report that criticizes the panel for lacking the "requisite industry expertise and time" to adequately make certain recommendations, resulting in flawed conclusions.

Ms. Dwarkin, who holds a doctorate in economics and at one time was responsible for evaluating Alberta's oil-and-gas royalty system for the Department of Energy, was seen as the most credible member of her six-person panel because of her extensive experience.

With the Ross Smith report, titled Looking For Rent In All The Wrong Places, Ms. Dwarkin broke her silence since the panel's Our Fair Share report was released on Sept. 18, stirring an international outcry against its recommendations and a fiery debate within Alberta. A copy was obtained by the Financial Post.

The Ross Smith report deals specifically with the panel's recommendations affecting the natural-gas side of the industry, which involve penalizing high-producing wells and benefiting those that are mature. The firm said it is also preparing a report on recommendations affecting the oil-sands.

"Shifting the royalty burden away from low-rate wells and toward high rate ones, as recommended by the panel, will encourage large-footprint, low-impact shallow development drilling and discourage higher risk and higher impact exploration," the Ross Smith report said. "This is dumb resource management in our view."

The report also says the panel's recommendation that royalties for natural gas should climb to 63% from 58% puts the rate too high and wouldn't "generate the level of economic rent to justify the level of take."

In an interview, Ms. Dwarkin said the Ross Smith report reflects her views, while the panel's conclusions were based on a "committee process. Often it ends up being a mediated view in the end, it doesn't coincide with anybody's particular personal view," she said.

The move by Ms. Dwarkin would appear to validate some of the criticism levied against the panel by the oil-and-gas industry, with some senior companies threatening to move billions of investment out of Alberta. It also contradicts the panel's chairman, Bill Hunter, who has been defending the report and publicly doubted that oil and gas companies would in fact leave.

It is the latest setback for the strategy, unleashed by Ed Stelmach, the Premier, last February following a promise he made during a Tory leadership contest to replace former premier Ralph Klein.

Meanwhile, rumours were flying fast and furious about how and when Mr. Stelmach will stickhandle the increasingly controversial debacle.

Making the rounds in Calgary's financial community yesterday was speculation that the province has arrived at a decision to boost royalties on oilsands projects -- but not as much as is currently discounted in stock prices.

The scenario-- under which royalties would increase to 5% from 1% before project payout, and to 30% from 25% after investment is recovered, and which also involves the scrapping of a proposal for a new super-royalty -- was seen as positive for Canadian oilsands players, whose stocks rallied as oil was rocketing higher.

"Obviously, any change is worse off than we have now,"

said one market player. "But it's backed off from a worst-case scenario. Is it enough to make people happy? I would say that usually when you get these proposals, the stocks discount the most, and then if there is any softening of that, you will get a pop."

West Texas Intermediate crude oil jumped US\$2.07 to settle at US\$89.47, after touching a record high of US\$89.78. On Oct. 15, oil prices passed the previous inflation-adjusted record reached in 1981, when Iran cut oil exports. The cost of oil used by U.S. refiners averaged US\$37.48 in March, 1981, or US\$84.73 in today's dollars.

Stelmach praises royalty regime for fuelling growth

The Edmonton Journal

Fri 19 Oct 2007

Page: B6

Section: Alberta

Byline: Jason Markusoff

Dateline: RED DEER

Source: The Edmonton Journal

RED DEER - Despite criticism from the auditor general and a provincially appointed review panel that the current royalty regime has shortchanged Albertans by billions of dollars, Premier Ed Stelmach praised the system Thursday for helping bring provincewide economic growth.

The province's review panel said last month that 10-year-old royalty rules are seriously out of date in a time when oil has soared above \$80 US a barrel.

It recommended Alberta hike rates by 20 per cent.

Weeks later, Auditor General Fred Dunn said the government has ignored repeated warnings from its own staff since 2004 that the province could collect \$1 billion extra a year from oil and gas companies without damaging the industry.

"You've heard suggestions that the current royalty regime has been a failure," Stelmach told 500 Tory supporters at a party fundraiser in Red Deer.

"You only have to look around the province of Alberta. Look at the development taking place in Central Alberta today and I can tell you that is not the case.

"The policy to encourage investment has drawn in billions of dollars ... it's generated economic activity and tax revenue that has benefited all Albertans. It has created one of the most successful economies in North America, if not the world."

The premier reiterated that he will announce royalty reforms in a televised address next week, saying natural resources are a "birthright" that belongs to all people.

The review panel's recommendations have drawn complaints from the oil and gas companies, which have lined up to warn that major changes will cost thousands of potential jobs and force them to slash development plans.

Industry almost unanimously demanded no changes to the royalty system when it pleaded its case during the royalty review, arguing that the investor-friendly system should remain.

The panel disagreed, saying Albertans haven't received their fair share for years. Now, most companies and financial groups are suggesting a compromise between the report and the status quo, admitting there's room for royalty increases.

Speaking to reporters after his speech, Stelmach insisted he wasn't necessarily defending the existing royalty regime or discussing comments made by Dunn's audit or the royalty panel.

"Perhaps, some people were thinking that the money that might have not been collected in royalty evaporated from the province. It hasn't," he said.

"It's in increased land sales, it's in huge increases in corporate tax revenue and also personal income tax."

Earlier this month, Stelmach hinted the province will reveal another windfall surplus in a fiscal report next month.

He told reporters that changes to the royalty system are needed because of changes in oil prices and the global energy market, but noted that money collected in recent years has helped Alberta erase its debt and spend generously on social programs.

Stelmach has refused to offer any details of his royalty decision since a newspaper quoted him telling a business crowd last week that he wouldn't "trounce" existing royalty deals -- apparently contradicting the panel's insistence that all royalty changes should affect future and existing oilsands projects equally.

Stelmach said he met privately with review panellists in his office Thursday.

"They gave us further feedback on how they arrived at some of the recommendations," he said.

Among the panellists there was private-sector economist Judith Dwarin, who criticized the group's proposals for the natural-gas sector in a report released Thursday by her energy research firm.

Earlier Thursday, NDP Leader Brian Mason urged the premier to act strongly on royalties.

"At bare minimum, Ed Stelmach needs to stand up to the scare tactics of the oil and gas industry, and implement the higher royalties called for by the panel," Mason said.

Stelmach also took a veiled shot Thursday at his predecessor Ralph Klein, saying as a government, "we aren't running on autopilot."

Autopilot was a favourite term of Klein's, who said he wanted to leave the province in such good shape that it virtually ran itself. Critics used the term to describe what they characterized as the former premier's lack of interest in governing.

Stelmach mentioned his recent moves to publish flight logs from government jets and release ministers' expense reports -- things Klein staunchly resisted.

But after the speech, Stelmach told reporters he won't talk about past controversies, but only things that have cropped up since he became premier last December.

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Biodiesel plant begins construction

The Edmonton Sun

Fri 19 Oct 2007

Page: A41

Section: News

Construction is set to begin on Canada's first large-scale plant to convert canola oil into organic diesel.

The \$90-million facility owned by Canadian Bioenergy Corp. of Vancouver will be built in the heart of Alberta's major refinery and pipeline hub northeast of Edmonton, next door to an oilseed crushing plant.

"We are building a state-of-the-art facility capable of producing a large quantity of clean, sustainable canola-based biodiesel to help meet the Canadian renewable fuel standard and U.S. demand for a superior cold weather, high-quality fuel," said Canadian Bioenergy president Doug Hooper.

The plant fits in well with recent moves by Ottawa to financially encourage development of renewable fuels. But it also steps boldly into the ongoing debate over whether biofuels are better for the environment.

Scheduled to begin production by the middle of 2009, the plant will have an expected future capacity of 225 million litres of biodiesel per year. It will also be a key component to feeding Canada's escalating demand for the fuel as new federal regulations call for 2% renewable content in all diesel by 2012 - requiring about 800 million litres annually.

Last spring, Prime Minister Stephen Harper committed \$1.5 billion over the next seven years to help develop Canada's renewable fuel production capacity.

Hadi Dowlatabadi, a renewable fuels expert at the University of British Columbia and board member with Canadian Bioenergy, predicts Canada's thirst for biodiesel will soon be hard to quench.

"Once the benefits become better known, people will want to move from a 2% biodiesel standard in their buses, trucks and tractors and other work vehicles to more like 20% or 40%," said Dowlatabadi.

Proponents of biodiesel claim the fuel has immediate air-quality benefits, drastically reducing greenhouse gas emissions when added to regular petroleum diesel. Being biodegradable, it also makes fuel spills far less toxic and easier to clean up.

Dowlatabadi said even small amounts of biodiesel clean up the exhaust from older engines, "and diesel as a whole is about 25% more greenhouse gas efficient ... than a gasoline engine."

But not all agree on the environmental benefits.

Last month, Nobel-prize-winning Dutch chemist Paul Crutzen suggested that fuels from fertilizer-intensive crops like canola end up actually damaging the atmosphere more than regular diesel because of the amount of nitrous oxide released.

Another international report released by the Organization for Economic Co-operation and Development in September suggested that the rush to promote biofuels was pushing up global food prices. The report also says government subsidies for biofuels create an incentive for farmers to destroy forests, wetlands and pastures.

For precisely these reasons, Canada's canola industry is lobbying hard to distance itself from other biofuels like ethanol - made from crops such as wheat and corn - and even other biodiesel sources such as animal tallow and other vegetable oils.

Canola - grown primarily on the Prairies - is Canada's dominant vegetable oil and the sheer size of the annual crop makes it easy to supply the biofuel market without distorting food prices, said Tyler Bjornson with the Canola Council of Canada.

About one million tonnes of canola would be needed to meet the 2% commitment for biodiesel. Last year alone the industry's carry-over - or unsold volumes that stayed in storage bins - was 1.5 million tonnes, says Bjornson.

"Just the carry-over could have met the forward-looking mandate, so we believe we can easily handle meeting the volume requirements the government is talking about."

Currently, about 80% of Canada's annual canola production is exported and prices in recent years have risen dramatically as interest in biofuels continues to grow.

AltaLink calls for new Transmission Planning Strategy

Leduc Representative

Thu 18 Oct 2007

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Section: News

On Oct. 17, AltaLink Management Ltd., Alberta's largest electricity transmission supplier, invited the government, the Alberta Electric System Operator (AESO), landowners and the Alberta electric industry to support a new and innovative approach to transmission planning.

"We believe that Alberta needs to rethink how infrastructure is built by minimizing its footprint while maximizing its capacity to ultimately conserve our land resources," said Scott Thon, AltaLink President and CEO. "We listened to landowners who are concerned about new facilities who told us land is precious. We need to reuse right-of ways wherever possible and conserve our land for future generations while ensuring we meet the growing demands for power in Alberta."

AltaLink is inviting the provincial government and the Alberta Electric System Operator to adopt planning criteria that places more weight on land-use issues earlier in the transmission planning process.

More than 1.5 million people in central and southern Alberta rely on electricity transported through the Edmonton-Calgary transmission corridor. Independent forecasts indicate that transmission capacity in the corridor must be increased to meet the growing energy demands of Albertans. This is driven by Alberta's many new residents and a growing economy that add the equivalent of two cities the size of Red Deer to our electricity system annually. AltaLink is reviewing all transmission options following the Alberta Energy and Utilities Board decision to void all decisions and proceedings related to the 500 kV Edmonton to Calgary transmission development.

While the single circuit 500 kV configuration remains a viable option, AltaLink plans to bring forward a second proposal to the AESO to design and install single towers to carry the electricity traditionally carried by two towers. Public and landowner consultation on such an option will begin in the near future.

"As a company committed to this province, we know we need to be more effective in not only how we use the land but also in how we engage landowners and the public. The Government has already shown through its Land Use Framework process that it is committed to better balancing the impacts on our land with the need for infrastructure development," said Thon. "Together, industry, the public and government can minimize the impact on the land while ensuring the present and future electricity needs of the province are met."

Company also spearheads electricity public education program

AltaLink also confirmed its commitment to ensuring that all Albertans understand our electricity system and its infrastructure challenges. The company announced its sponsorship of the Canadian Centre for Energy Information for a new, factual and comprehensive program of public education about the electricity system.

"We know we need to show leadership by being transparent and providing opportunities for Albertans to understand the electricity system and the challenges to ensuring it is reliable," said Thon. "Today I am challenging my industry colleagues to join us to make this new initiative a success."

AltaLink, Canada's only fully independent transmission provider, is responsible for the maintenance and operation of more than 11,600 kilometres of transmission lines and approximately 260 substations in Alberta.

As Alberta's largest supplier of safe and reliable transmission, AltaLink is moving forward to provide a transmission system that will continue to meet the growing needs of Albertans.

Bustin' the bonanza; Wrong moves on oil and gas royalties could drag down Canada

The Edmonton Sun

Fri 19 Oct 2007

Page: 11

Section: Editorial/Opinion

Byline: BY LICIA CORBELLA

In Alberta the debate on the pages of newspapers, talk around water coolers and rise in antacid sales predominantly revolves around a royalty review report on the oil and gas industry and what the provincial government plans to do with it.

Depending on which side is talking (or often shouting) adhering to the recommendations of the report entitled Our Fair Share will either spell relief for Albertans or economic disaster.

The review panel's report calls on the province to extract 20% more royalties from oil and gas, which adds up to about \$2 billion more for the Alberta government every year.

But what does it mean for the rest of the country if Alberta Premier Ed Stelmach doesn't strike the right balance between ensuring the proverbial goose that laid the golden egg isn't getting too fat or risks being strangled by too tight a financial leash?

Unfortunately, no one really knows the answer, but here are some current facts.

The energy sector directly accounts for 34% of Alberta's GDP. That doesn't include all of the spinoff jobs and services.

In the fiscal year of 2006-07, Alberta paid \$32 billion to the feds in taxes while receiving about \$17 billion back in health and social transfers.

That means last year, Alberta gave Ottawa \$15 billion more than it got back. Over the same time period, the feds recorded a \$13.8 billion surplus. In other words, if Alberta were not a "have" province, Canada would not have a surplus. Period.

BIGGEST NET

In 2004, Albertans paid \$2,760 per person in net contributions to the federal government which is the largest -- by far -- in Canada.

The next largest contributors are Ontarians, who doled out \$1,692 per person in net payments.

Then comes British Columbians with \$433 per person.

In 2005, the net per person contribution in Alberta skyrocketed to \$3,597, thanks to the rising price of crude oil which proves that as the industry's fortunes increase so too do the fortunes of the country.

During an exclusive interview with Sun Media while in Calgary recently, Prime Minister Stephen Harper acknowledged that the federal government's surplus is largely due "to the economic growth that is built around the energy sector."

While he refused to comment directly on the royalty debate, Harper admitted it could negatively affect Ottawa's bottom line.

"Royalties are deductible on federal tax so it has impacts on us as well," he said.

In case Canadians believe this fortune gushing out of Alberta's oil fields was just as a result of blind, dumb luck, it's important to recognize that Saskatchewan has massive oil sands deposits as well as considerable oil and gas reserves.

So, why does Alberta have a developed industry and Saskatchewan doesn't?

The answer is simple. Albertans and the governments they have consistently chosen constructed business climates that made huge and risky investments possible. Nobody will risk \$12 billion to \$15 billion building a new oil sands upgrader unless they can make a better profit than they might otherwise by just putting that money in the bank or investing elsewhere.

SOCIALIST LOSERS

The people of Saskatchewan and the NDP governments they usually elect choose to believe otherwise and suffer the consequences.

That's their choice, but this whole country has benefitted by the entrepreneurial spirit of Albertans and its free-enterprise governments.

This coming Wednesday, Premier Stelmach will take to the airwaves to explain what he's going to do.

As he's already said, the status quo is not an option -- royalties are going up.

If they go up too much, the gas pain this entire country might feel won't be fixed by any antacid.

Spreading resource revenue around; Analyst sees cash from northern development benefiting infrastructure improvements throughout province

The Edmonton Journal

Fri 19 Oct 2007

Page: E3

Section: Business

Byline: David Finlayson

Dateline: EDMONTON

Source: The Edmonton Journal

EDMONTON - The province is looking to the oilsands industry to help finance solutions to the transportation infrastructure squeeze between the northern mines and southern suppliers, an oilsands conference heard Thursday.

While the oilsands are important to the Alberta economy, it's only one of the regions with urgent transportation needs, strategic policy branch executive director Rod Thompson told a conference on the sector's transportation issues.

"We are way behind with highway rehabilitation work, and there are major congestion problems in Edmonton and Calgary," Thompson said in an address originally to be delivered by Infrastructure Minister Luke Ouellette.

There are "opportunities" for participation by industry, and the government is studying different models so they can contribute, he added. The government is trying to catch up after highway spending dropped below the revenue from vehicle licences in the mid to late 1990s, Thompson said.

Fort McMurray's population has grown from 36,000 to 65,000 in the last 10 years and managing growth pressures is among the government's top priorities, he added.

Robert Mansell, of the University of Calgary's Institute for Sustainable Energy, said the province's economic future will be largely determined by the energy sector, and there needs to be long-term planning of social and infrastructure needs, especially in transportation.

Building more during a downturn instead of rushing to catch up during a boom will help, he said.

Alberta's oilsands will generate three per cent of the world's oil by 2030 and despite efforts to develop alternate energy sources to fossil fuel, global demand will increase 43 per cent by 2030, mostly in developing countries, Mansell said.

While many estimates put the oil and gas industry at 20 per cent of the provincial economy, it's more like 50 per cent when you include services provided to the sector by accountants, lawyers and government, he added. "And that's not counting induced benefits such as lower taxes."

Oilsands make up only 25 per cent of the province's energy value with natural gas and gas liquids at 50 per cent, but that will change as oilsands expand and gas reserves decline, Mansell said.

But as the amount of natural gas needed for oilsands production increases, there will be less available for other areas, he said. "That will be a huge issue for industries, royalties and export values."

Mansell said everyone is too preoccupied with how we divide the royalty pie following the recent review of the royalty structure. "It's not how much we get, but how we spend it."

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Higher oil and gas taxes and royalties not in Albertans' long-term interests

National Post

Fri 19 Oct 2007

Page: FP4

Section: Financial Post

Source: Financial Post

The recommendations of a panel to sharply increase royalties and taxes on oil and gas projects in Alberta would result, if adopted, in a fundamental policy shift in the way the provincial government interacts with its dominant industry that would not be in the best interest of Albertans, RBC Capital Markets said in a report yesterday. The historic partnership between industry and government would be replaced by a regime in which the province strives to maximize its near-term value at the expense of the private sector, the report says. While the panel forecast the province would increase its take from the oil-and-gas sector by \$2-billion a year, the bank-owned brokerage predicted the province will end up with far less.

Time to fight the greedy in Alberta

The Edmonton Sun

Fri 19 Oct 2007

Page: 10

Section: Editorial/Opinion

Byline: BY JEREMY LOOME

Column: Editorial

Have you ever see so many high-priced sports cars?

Alberta's boom is on display on its streets and boulevards: there's a Porsche spotted every other block and Hummers are as common as VW Bugs.

Good times are here.

Despite such opulence, middle-class families can't afford housing; food banks are flooded; roads and schools are crumbling; volunteer agencies are near collapse; social workers can't afford to stay in their field.

It's an ugly picture. And somewhere along the line, something has gone wrong.

Alberta is being divided by greed.

Next week, Premier Ed Stelmach will respond to a report calling for the public to get a fair share of energy revenues from rich companies that depend on public resources. The address will come after months of scare mongering by those companies.

We should fight back.

It's time to curb the greedy mentality they are trying to foment, one that segments of Alberta society accept as inevitable.

It's time to consider how each of us balances personal gain and social commitment, how we can be good providers but also good people. We need to encourage growth, but not eliminate our middle class and our values doing it.

It's also time, with an election near, to consider whether the Conservatives deserve a chance to fix this imbalance.

After all, life is a balancing act. We can oppose wasteful big government and still realize governments do some things well.

We can keep kids active without scheduling them 24/7. We can reward ourselves with a new car - but it doesn't have to cost more than a house.

And we can acknowledge that social progress should trump social status, that sometimes big business is wrong and the little guy is right.

Mostly, we can rediscover values conservatives once cherished: civility; consideration for those less fortunate or toiling in necessary-but-unprofitable fields; individual enterprise; the importance of neighbourhoods.

And we can demand government reflect those values.

Our collective response to the government on these issues, beginning with the review, can set the stage for a balance between what we want as individuals and the needs of a truly great society.

We should accept nothing less.

Environment

Environmentalist makes case for privatization of water treatment

The Edmonton Journal

Fri 19 Oct 2007

Page: B3

Section: Cityplus

Byline: Duncan Thorne

Dateline: EDMONTON

Source: The Edmonton Journal

EDMONTON - A leading water environmentalist is urging Alberta to privatize publicly run water utilities, ending a "cozy relationship" between the government and municipal utility operators.

Elizabeth Brubaker, executive-director of Toronto's Environment Probe policy group, says privatization will improve accountability and is the best way to boost water quality while reducing costs.

The Journal exposed the lack of accountability after it asked the government in early 2006 to let it see assessments on 534 water-treatment plants across the province, Brubaker said on Thursday.

Among reasons for withholding the information, Alberta Environment argued releasing the details would be "harmful to intergovernmental relations." The matter was to go to an inquiry before the province's information and privacy commissioner this summer but in May the government finally handed over the assessments.

They revealed that in the northern region, 51 per cent of treatment plants assessed in 2003 and 2004 received grades of four or five, with five being the lowest possible score. In the central region, 43 per cent received poor marks while in the south 70 per cent scored poorly.

Brubaker, in Edmonton as a speaker at the Epcor lecture series, said the case demonstrates an inherent conflict in having a public regulator such as Alberta Environment oversee publicly run treatment plants.

"The provincial government has this cozy relationship with its municipal water providers, this is old boy network. Nobody wants to embarrass anybody else."

Part of the problem is the government puts up much of the money for improvements to water treatment. When a government is paying the tab it is less likely to be eager to insist on higher standards.

In the case of the Alberta plants that scored poorly, the government increased spending to improve them. It also issued assurances that despite the low scores, the water was safe to drink.

Even so, it's wiser to hand the operation of treatment plants to private operators. The government can use enforceable contracts to ensure that operators meet standards, Brubaker said. "An enforceable contract makes a big difference.

"The government can include penalties for not meeting these requirements. It can even include termination of the contract for not meeting the requirements."

She said municipally run systems are "never going to threaten to terminate their own operations."

Private operators often turn out to be considerably cheaper because they must bid competitively and research ways to become more efficient, she said. It's no coincidence that high-profile cases of contaminated water systems -- such as at Walkerton and on the Kashechewan reserve in Ontario -- involved public operators. The communities both brought in private contractors.

As for Epcor, a corporation wholly owned by the City of Edmonton, Brubaker said it shares some features of a municipal entity and some of a private contractor. Its role as a contractor is clearest when it bids on projects in jurisdictions outside the city.

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Finance (including Pensions/Insurance)

ATB changes overdue: ex-CEO

The Edmonton Journal

Fri 19 Oct 2007

Page: A17

Section: Letters

Byline: Harry Buddle

Source: The Edmonton Journal

Re: "ATB faces new reality: Province plans a 'level playing field,' requiring the Crown bank to pay dividends and taxes," The Journal, Oct. 12.

From 1987, when I arrived in Edmonton as the CEO of Capital City Saving Credit Union, until I retired in 2007 as president and CEO of Servus Credit Union, I have regularly pointed out to government that it was wrong in a free society for our government to own a "bank" that paid no taxes, paid no dividends and even kept its deposit insurance funds on its own balance sheet while it competed with its own tax-paying citizens using these unfair advantages.

I was happy to read today that Finance Minister Lyle Oberg plans to end the tax holiday that made the playing field ever so unfair.

It takes courage to change things. I applaud Premier Ed Stelmach's government for making this needed change.

Earlier this year when reminding government that ATB should also pay the owners a dividend for use of their capital, I also put forward the proposal that ownership in ATB should be transferred to individual Albertans by distributing shares, with controls that would allow only Albertans to hold the shares.

Only then would we truly have an organization, belonging to Albertans, that is at "arms length" from government ownership.

I hope to live long enough to see these last essential changes. Waiting another 20 years may be too long!

Harry Buddle, Edmonton

Dodge foresees steady rates through '09

The Edmonton Journal

Fri 19 Oct 2007

Page: E1 / FRONT

Section: Business

Dateline: OTTAWA

Source: Reuters

OTTAWA - The Bank of Canada signalled on Thursday it expects to hold rates steady through all of 2009, as weaker U.S. growth, a stronger Canadian dollar and tougher borrowing terms sap strength from the domestic economy.

The interest rate projection, included in the bank's latest monetary policy outlook, marked a big change from July, when the bank raised rates and said it thought another hike would be needed so robust spending didn't push inflation too high.

"In this base-case projection, there is no change in the policy interest rate," the central bank said in its Monetary Policy Report.

The statement was more clear-cut than in the past and caught the market's attention.

"The bank appears to be sending an unusually clear signal that it neither intends to hike, nor cut rates for the duration of its forecast period, which extends to 2009," said Jacqui Douglas, economics strategist at TD Securities.

The bank left interest rates unchanged at 4.5 per cent on Tuesday. It next sets rates on Dec. 4.

The report reflects changing economic circumstances both in Canada and abroad.

The bank lowered its U.S. growth outlook sharply due to the housing downturn, the Canadian dollar has soared and a credit crunch in August has meant a quarter-percentage point hike in borrowing costs.

"Things have happened since July obviously. We've had financial markets somewhat perturbed... We've got a weaker U.S. forecast," governor David Dodge told a news conference.

"We think the current policy rate now is appropriate on the basis of that projection that we've given you in the report."

But Dodge stressed that the ground was shifting beneath the bank's feet as it forged its outlook. The bank is stumped by the speed at which Canadian dollar has strengthened and suggested that some of it might be speculative rather than linked to strong demand for Canadian products.

Crude trades above \$90 US after market close

The Edmonton Journal

Fri 19 Oct 2007

Page: E7

Section: Business

Dateline: NEW YORK

Source: Reuters

NEW YORK - Oil prices extended a record rally to above \$90 a barrel Thursday as weakness in the dollar, tight fuel inventories and geopolitical concerns drew a wave of investor buying.

Oil's climb of about 13 per cent since last week has renewed concerns that soaring energy costs could hinder world economic growth and raised a red flag for OPEC, which may call an early formal meeting to discuss output.

U.S. crude oil futures hit a record \$90.02 in electronic trading activity after settling earlier Thursday afternoon in New York with a gain of \$2.07 at \$89.47 a barrel.

It was the fifth straight trading day that oil set a record high.

London Brent crude rose \$1.47 to \$84.60.

"This is a market that is watching the dollar weakness very closely and as long as the dollar remains weak and stockpiles at the market's delivery point in Oklahoma remain low, this market will keep heading north," said Jim Ritterbusch, president of Ritterbusch and Associates.

Though U.S. oil prices hit a nominal peak, they remain below the inflation-adjusted monthly average high of \$101.70 hit in April 1980, a year after the Iranian revolution.

Dealers said Thursday's gains were tied to all-time weakness in the U.S. dollar -- a factor that has supported all dollar-denominated commodities -- alongside tight energy inventories and robust world demand.

The dollar fell to a record low against a basket of currencies on Thursday.

It was weighed down by soft U.S. economic data and sluggish corporate earnings.

U.S. oil inventories, meanwhile, are running about 4 per cent below a year ago, while gasoline and distillate stocks in the world's biggest energy consumer are about 7 per cent below last year, according to the latest government data.

Stockpiles of crude at Cushing, Oklahoma, the delivery point for oil traded on the New York Mercantile Exchange, are running 19 per cent below last year.

The risk of Turkish military action against Kurdish rebels in northern Iraq was also underpinning oil's gains, dealers said.

The factors have attracted the interest of funds seeking alternatives to markets battered by the global credit crunch.

"New money is not going into bonds and is looking for other alternative investments," said Michael Metz, chief investment strategist at Oppenheimer.

Health & Wellness

Patients can wait up to 15 hours in ER; Bed Wait Times

National Post

Fri 19 Oct 2007

Page: A10

Section: Canada

Byline: Sharon Kirkey

Source: CanWest News Service

Thousands of Canadians so sick they need to be admitted to hospital are languishing for more than 15 hours in emergency rooms every year waiting for a bed, a survey reveals.

About 14 million Canadians arrive in emergency departments each year. More than one million of them are admitted to hospital.

Half wait less than two hours for a bed.

But about 6,700 patients in 277 hospitals studied waited more than 15 hours for a bed, according to the Canadian Institute for Health Information survey.

"If putting an 85-year-old lady with pneumonia who is feeling dreadful in a noisy hallway outside an emergency department, with bright fluorescent lights, no private toilet, no privacy whatsoever, no dignity, if that's the kind of care considered acceptable in this country then I beg to differ," says Dr. Alan Drummond of the Canadian Association of Emergency Physicians.

"Patients are having more complications from their illnesses by virtue of these ridiculously long waits," says Dr. Drummond, head of the Perth and Smiths Falls District Hospital's emergency department in Ontario.

The study is based on 277 hospitals across Canada, excluding Quebec, which does not collect wait times the same way most provinces do.

The report found half of all patients admitted to hospital through Canada's emergency departments waited 1.7 hours or less for a bed.

"One in 10 didn't wait any time at all; they were transferred almost immediately," said Greg Webster, director of research and indicator development at CIHI.

Bed wait times tend to be longer at larger hospitals, during weekdays and between November and March, during winter and flu season.

Bed wait times tended to be shortest in the evening, between 4 p.m. and midnight in large community and teaching hospitals, which may be due to patients being discharged throughout the late afternoon, according to the report.

This is the first time the Ottawa-based agency has looked at the actual wait, from the time a decision is made to admit someone to their actually getting a bed, so it is not known whether wait times are up or down.

Doctors say it is not uncommon for patients with kidney stones, appendicitis and others in acute pain to have to wait on stretchers and even chairs in ER hallways because of hospital overcrowding.

Studies in other countries have linked long waits in emergency with increased death rates.

Last year, a Halifax woman with Norwalk virus, a common infection that causes vomiting and diarrhea, died in hospital after waiting 68 hours in emergency for a bed.

Dr. Drummond's group says that once the decision to admit has been made, patients should be moved out of emergency to an in-patient area within two hours.

He said that over the past decade, governments have slashed beds and shirked promises to expand home care, rehab and long-term care so patients who no longer need to be in hospital could be discharged back into the community sooner.

Ontario, Quebec and other provinces have recently announced funding to improve emergency wait times and patient flow through hospitals.

Infrastructure & Transportation

Dumb drivers spell accidents; Mistakes behind the wheel account for over 90% of Alberta smashups, new statistics show

The Edmonton Sun

Fri 19 Oct 2007

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Section: News

Byline: BY GLENN KAUTH, SUN MEDIA

Driver error was behind more than 90% of Alberta's traffic accidents last year, according to new statistics.

The data, released yesterday by the provincial government, show the most common mistakes causing serious crashes included faulty left turns and tailgating. Speed, meanwhile, was a factor in 28% of fatal collisions.

The numbers don't surprise Laurie Billings, the executive director of the Alberta Safety Council.

"We think that an absolute minimum of 85% of all collisions are preventable," she said.

Billings noted, however, that the real problem isn't speeding.

"Generally speaking, speed doesn't cause the crash. Speed determines whether you survive or not," she said, explaining that driving fast gives a person less time to react to a threat on the road.

The real problem, she argues, is drivers who are distracted by everything from cellphones to the radio.

As well, fatigue is increasingly becoming a factor in crashes. A recent study by the Traffic Injury Research Foundation in Ottawa, for example, estimated tired drivers were likely involved in thousands of crashes. The same survey showed 60% of Ontario drivers admitted to being fatigued behind the wheel.

"Impairment by fatigue is now being shown to be a cause as frequently in crashes as alcohol or drugs," said Billings.

In the new report, the province notes that despite a growing population, the number of fatal crashes actually declined from 466 in 2005 to 453 in 2006.

However, the total number of accidents still went up by 15%, and 1,460 more people were hurt in collisions than in 2005.

In a news release, the government noted Alberta is in the middle of the pack among Canadian provinces for deadly car crashes. But Alberta's place in the rankings depends on the measurement used. According to Transport Canada, for example, Alberta is the third deadliest province for car accidents on a per capita basis.

The statistics look rosier, however, when measured against the number of kilometres drivers in Alberta travelled. On that score, Alberta is No. 6 in Canada, tied with Quebec.

For Liberal transportation critic **Harry Chase**, those numbers show it's not just drivers but also the government that's responsible for reducing carnage on the highway.

Besides a ban on talking on cellphones while behind the wheel, he wants to see the province move faster to twin the deadly Highway 63 to Fort McMurray, as well as put more money into traffic enforcement.

The latest data come the same day an eight-year-old girl died in a school bus crash in Calgary.

While news reports on the accident raised the issue of seatbelts in buses, Billings isn't convinced they would help save lives. With passive restraints, such as padded seats, "the school bus is the safest vehicle on the roads," she said.

Accident re-ignites seatbelt debate

The Calgary Sun

Fri 19 Oct 2007

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Section: News

Byline: BY DAVE DORMER, SUN MEDIA

The debate about whether passengers on school buses should wear seatbelts was re-ignited yesterday with a deadly crash on Crowchild Tr.

Parents said buses used by the school are equipped with seatbelts and children are expected to wear them.

"Based on my son's account, he says the drivers always ensure to tell all the kids to buckle up," said one parent, who asked not to be named. "Obviously there's going to be a couple of renegades who are going to undo it, or not wear it or whatever."

The crash is believed to be the seventh fatal accident in Canada involving school bus passengers under the age of 19 since 1995, including Jared Daniel Weston, a Grade 6 student at Chestermere Lake Middle School who was killed in October 2000, when his school bus collided with a pickup truck.

Earlier this year, 14 students and a female driver walked away unhurt when a school bus rolled on R.R. 281 and Township Rd. 250.

Transportation Minister Luke Ouellette called yesterday's fatal crash a tragedy and added it points to the need for drivers to more pay attention.

Ouellette released a report showing an increase in injury accidents in Alberta last year, with nine out of 10 collisions being the result of driver error.

Speed limits too low, says poll; Finding at odds with increase in accidents

The Calgary Herald

Fri 19 Oct 2007

Page: B1 / FRONT

Section: City & Region

Byline: Paula Beauchamp

Source: Calgary Herald

On the day new provincial figures were released showing a 15 per cent jump in traffic collisions, a new poll suggests Albertans -- more than other Canadians -- want to go even faster on city roads.

Almost 26,000 people were injured in road collisions in Alberta last year -- 1,460 more than in the previous year, Department of Infrastructure and Transportation figures released Thursday show.

Driver error was a contributing factor in nine out of 10 accidents.

Despite the grim statistics, 60 per cent of Albertans polled by Angus Reid Strategies say city speed limits of 50 kilometres per hour on four-lane roads are too slow and should be raised.

In other provinces, a smaller percentage of people -- 34 to 50 per cent -- believe 50 km/h is too slow.

Unless otherwise posted, the maximum speed limit in Canada is 50 km/h.

Emergency room physician and injury prevention expert Dr. Louis Francescutti said he was frightened, but not surprised, by the survey findings.

"When it comes to speed, the average Albertan is a Neanderthal. They have no concept of what speed does," Francescutti said.

"As an emergency physician, I see no shortages of these fools coming into our emergency department busted up. When you hear what they were doing, it is no surprise."

Francescutti said reducing the average speed of traffic reduced fatalities, but "so little enforcement" encouraged motorists to drive recklessly.

"A lot of these idiots are talking on cellphones. You're right back in the Jurassic period here," he said.

According to the 2006 provincial statistics, there were 142,592 traffic collisions last year.

But the number of vehicles on Alberta roads has increased by almost 400,000, compared to five years ago.

Alberta Motor Association spokesman Scott Wilson said there is a social phenomenon occurring in Alberta that gives significant tolerance to speeding.

"People add 10 kilometres to the posted speed, and there is unspoken community acceptance of it," he said.

"The pace of life is pretty quick in Alberta today. People are busy, working longer hours and feel time-challenged. They want the opportunity to travel faster, make some time, but it's not that easy to do safely."

Transportation Minister Luke Ouellette said Albertans need to learn to take traffic safety seriously, especially with more cars on the roads.

"When you see people . . . shaving or putting on makeup or reading a book, you sometimes think that they're taking traffic safety for granted -- that's for sure," Ouellette said in Red Deer.

Provincial figures show following too closely (29.2 per cent), running off the road (15.1 per cent) and turning left across the path of an oncoming vehicle (12.5 per cent) were the most common factors in collisions.

The only good news was a three per cent drop in the number of people killed on Alberta roads last year, with 453 lives lost.

Professional driver Mike Stastook said motorists in Calgary speed all the time. He doesn't want the posted speed limit to increase.

"If a kid jumps in the street, you can stop much quicker when you're driving 50 km/h than at 60 km/h," he said. "The problem, to me, is that people in Calgary must be able to afford their speeding tickets. I think speeding tickets should be linked to income."

Calgary driver Ami Dehne said she was happy with the current speed limits, while Todd Schaeffler said driving in Calgary is getting worse.

"A lot of drivers are butting in and in a rush. I think mostly people are inconsiderate," Schaeffler said.

Calgary police issued 11,673 tickets to motorists leadfooting through construction zones between Jan. 1 and Aug. 31. During the same time last year, 3,947 tickets were issued.

Staff Sgt. Brett Marklund said police are doing all they can.

"Enforcement is a key component of the city's traffic safety plan," Marklund said, adding resources limit what police can do.

The Angus Reid poll, which surveyed 1,019 Canadians, found more men and Conservative voters believe 50 km/h is too slow for four-lane roads.

Over half of those voting Liberal or NDP think the speed limit is just right.

The Angus Reid poll has a margin of error of 3.3 percentage points, 19 times out of 20. The survey was conducted Oct. 3 and 4.

With files from Jason Fekete, Calgary Herald.

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Municipal Affairs & Housing

Edmonton finally has a willing partner in fight over regional turf

The Edmonton Journal

Fri 19 Oct 2007

Page: B1 / FRONT

Section: Cityplus

Byline: Scott McKeen

Column: Scott McKeen

Source: The Edmonton Journal

Free LRT rides to the people of St. Albert. Hell, give them keys to the city.

For the first time in memory, Edmonton has a willing partner in the regional turf war -- the city of 60,000 on the banks of the mighty Sturgeon River.

Nolan Crouse, St. Albert's freshly minted mayor, phoned Edmonton City Hall on the morning after his election win.

Crouse says he had one question for Mayor Stephen Mandel: Is there a secret agenda to annex St. Albert?

Mandel assured him otherwise. A friendship was born and Crouse plans to meet Mandel next week to further discuss issues of "common ground." Crouse's amicable ways and open mind contrast sharply with his predecessor Paul Chalifoux, who was damn-near phobic about Edmonton plotting a regional coup.

What Crouse understands -- what a number of his councillors understand -- is that Edmonton's problems are St. Albert's problems.

Like other urban centres in Alberta, they're losing financially to parasitic, neighbouring counties, who entice industry and middle-class taxpayers with their vast land holdings and low tax regimes.

Of course, counties couldn't attract flies without the civic services and amenities next door, in cities struggling to pay for those same services and facilities that county residents enjoy for free.

This kind of downward spiral, left unchecked, creates Detroit -- a decaying city core surrounded by affluent suburbs.

Premier Ed Stelmach only made the situation worse with his recent municipal funding formula. It rewarded rich jurisdictions like Strathcona County, instead of funding areas with demonstrated need, like Edmonton and St. Albert.

The province is, as we speak, fumbling for ways to bring stability and equity to the Edmonton region. Given Stelmach's rural loyalties, expect some kind of lame co-operative model, instead of a mandated regional agency to oversee the sharing of services, infrastructure costs and tax revenues.

What are poor urban centres to do, given the Tory government's strong ties to the advantaged counties in the region? It helps that the chambers of commerce across the region have joined hands. Business doesn't like uncertainty and doesn't like political boundary squabbles. It desires a cohesive region working on ways to move goods and attract workers.

From the chambers of commerce comes political pressure Stelmach can't ignore. But the people of the region's urban centres -- Devon, Beaumont, Leduc, St. Albert, Stony Plain and Spruce Grove -- must also dial up the political pressure. The people of the region's towns and cities make up about 85 per cent of the voting population. If Stelmach has written off Edmonton in the looming election, he might not want to write off the seats in Leduc, St. Albert, et al.

Edmonton can also take the lead here by showing counties the advantages of sharing. Edmonton could, for example, help St. Albert overcome some of its transit woes by extending routes out Mark Messier Trail. It could also offer to share the cost of St. Albert's \$42-million leisure centre, Servus Place.

St. Albert wins with some reduced budget pressure. Edmonton would, too, by being able to shelve plans for a northwest recreation centre.

Edmonton also wins by gaining credibility on its stated desire to join with, but not overrun, the municipalities in the region. Edmonton must demonstrate its commitment to regionalization through action, not just words.

As for wealthy Strathcona County, if it continues with its poaching ways, other actions come to mind.

Edmonton city council might be inspired to dispatch maintenance crews to the Sherwood Park freeway. Reduce the inbound stretch to one lane for the next year. Then, the good people of Sherwood Park might ask for the keys to the city, too.

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Sustainable Resource Development

Forestry firms blast CN service; Unreliable supply of rail cars, shipping delays leave forest industry with angry customers

The Edmonton Journal

Fri 19 Oct 2007

Page: E1 / FRONT

Section: Business

Byline: Paul Marck

Dateline: EDMONTON

Source: The Edmonton Journal

EDMONTON - Bad rail service has left Alberta's forestry sector with angry customers demanding discounts for late delivery and mills scrambling for ways to ship their products.

Forestry companies, forced to make alternative arrangements, are filling warehouses and yards with inventory due to an unreliable supply of rail cars and shipping delays beyond their control.

Some shippers say that not only have rail problems become chronic, so has the excuse-making by CN, carrier for most manufactured goods in northern Alberta.

Railway officials acknowledge there have been problems but say millions of dollars are being invested to improve service.

Forest companies are feeling the delays on the bottom line.

Ainsworth Lumber, with a panel-board mill in Grande Prairie, says it can't pass on CN's excuses to its own customers.

CN's inability to meet demand has cost Ainsworth goodwill and hard cash when it has not been able to meet shipping schedules, says Sean Mullany, the company's transportation manager.

"We have suffered with respect to effectively serving our customers and it has resulted in price writedowns because of defaulting on our contract to ship within a given week," says Mullany.

Ted Morton, Alberta minister of sustainable resource development, told forestry companies three weeks ago that railway competition will be investigated in the mandate of a newly formed MLA-industry panel on forestry competitiveness.

"You get the worst service and the highest rate," Morton told the Alberta Forest Products Association.

Companies are clearly fed up.

"It's a Canadian sport to beat up on the railways," says Bill LeGrow, vice-president of transportation for West Fraser Timber.

West Fraser uses CN at all 20 of its lumber, panel board and pulp mills in B.C. and Alberta. Rail service is spotty at best.

"I wouldn't say it's a chronic problem at any one location. But it is a chronic problem. In CN's case, there's rarely a week that goes by when we don't have a service crisis somewhere."

Other companies tell similar stories.

Ainsworth moves the equivalent of 5,000 rail loads of panel board a year from Grande Prairie, most destined for U.S. markets.

But despite promises from CN over the last year to improve performance, Ainsworth is still waiting -- and paying for alternative shipping.

Ainsworth is sometimes forced to truck from Grande Prairie to a U.S. rail head because CN cannot meet its obligations.

With low panel-board prices, "it just increases our losses, as opposed to minimizing any profits," Mullany says.

Weyerhaeuser Inc. is unable to ship all of its 440 million board feet of annual panel board production from its Edson mill.

The company must truck about 15 per cent of its production 200 kilometres east to Edmonton to a CP Rail reload facility.

"In theory, we would like to ship all of that by rail. It's more efficient than trucking, which costs more," says Weyerhaeuser spokesman Wayne Roznowsky.

Weyerhaeuser has other rail complaints, too. It ships 99 per cent of its pulp production from Grande Prairie by rail.

But CN's shuttling of cargo on branch lines means delays for customers, Roznowsky says.

Mike Voisin, director of business and public affairs for pulp producer Alberta Pacific Forest Industries, says his company faces similar rail challenges, with an added twist.

Branch-line operator Athabasca Northern Railway announced it will abandon the Linton to Boyle line as of Dec. 17.

Heavily used by the energy industry, the 250-kilometre link is also used by both AlPac and Millar Western Forest Products to deliver logs to their mills.

"You've got the most rapidly growing industrial area in North America coming on board that may not be served by rail," says Voisin.

Without the Linton line, AlPac's option is trucking an additional 60,000 hauls a year to and from its pulp mill in Boyle. That raises a host of problems, including safety, environmental concerns and a shortage of truck drivers, Voisin says.

Edmonton-based Millar Western Forest Products says that rail problems have had an adverse effect on business as well.

"We can acknowledge that it has affected our ability to ship products in an effective and timely manner and has affected our ability to receive supplies," said company spokeswoman Janet Millar.

For its part, CN says it has encountered operational problems in northern Alberta, especially since taking over two short-line operations in 2006, the MacKenzie Northern line from Edmonton to Hay River, N.W.T., and the Savage Alberta line to Grande Prairie.

CN has invested \$52 million in rehabilitating the lines, where some stretches are limited to speed limits of 16 km/h. Another \$20 million will be spent next year, to get those slow areas up to a minimum of 40 km/h, said spokesman Jim Feeney.

Mark Wallace, CN's vice-president of public affairs, said turmoil in the forestry sector has created scheduling problems for the railway.

But CN is working with its customers to iron them out.

"Yes, there have been some service issues and we are cognizant of them," Wallace said.

"There's a lot that we are doing proactively to make sure that our service meets (customer) requirements."

CN says it meets 90 per cent of customer commitments and is aiming to improve that.

Meanwhile, the Forest Products Association of Canada released an independent study last spring showing forestry companies pay \$280 million a year in extra rail costs. The study says those excess charges are levied in areas where there is no competition and mills are captive shippers of a single rail company.

Marta Morgan, vice-president of trade and competition for FPAC, says the industry is hopeful that Bill C-58 to

amend railway legislation passes in the next session of Parliament.

The measures would enable shippers to challenge poor service, excessive rates and rate increases, Morgan said.

FPAC also lauds the Alberta government's examination of railway competition.

"It's very encouraging. It shows that there is an understanding in Alberta that if we don't fix this problem, it is going to impair the competitiveness of all the rest of our industries."

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ATV ban eyed to help grizzlies

The Edmonton Sun

Fri 19 Oct 2007

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Section: News

Byline: BY THE CANADIAN PRESS

Alberta may limit the use of all-terrain vehicles and snowmobiles along the eastern slopes of the Rocky Mountains to help the grizzly bear population recover.

The province said yesterday it has accepted most recommendations in a report designed to improve grizzly bear numbers.

Sustainable Resources Minister Ted Morton said the government wants to hear from the public before making a final decision.

Alberta may also extend a moratorium beyond 2008 on hunting grizzly bears if population studies determine the species should be designated as threatened or endangered.

Drivers to be reined in to save Alberta grizzlies; Province still 'waffling,' critics charge

The Edmonton Journal

Fri 19 Oct 2007

Page: A1 / FRONT

Section: News

Byline: Darcy Henton

Dateline: EDMONTON

Source: The Edmonton Journal

EDMONTON - Alberta has agreed on a comprehensive plan to save the province's grizzly bears, but conservation groups fear the government is moving too slowly.

Ted Morton, the minister responsible for wildlife conservation, said Thursday he would adopt most of the recommendations of a plan presented to his department nearly three years ago.

But Morton, minister of sustainable resource development, would not commit funding or declare grizzlies a threatened or endangered species. He said he will continue a three-year moratorium on grizzly hunting that extends to next year, and he supports a plan to limit "unregulated motorized public access" into core grizzly habitat.

But conservation groups said there's nothing in the plan to immediately protect grizzlies, despite preliminary studies that suggest fewer than 500 are left in the province.

Jim Pissot of Defenders of Wildlife Canada said the announcement won't help the bears when they come out of their dens next spring.

"The minister is waffling on the key components he could implement tomorrow morning," Pissot said. "There are no timelines. There is no commitment ... to do anything by a certain date."

He also expressed concern that Morton sees the team's call for reducing road densities only as a starting point.

"Virtually every study on grizzly bears correlates road density with grizzly mortality. It's unequivocal."

Pissot applauded Morton's support for plans to limit motorized access into core grizzly areas, but he said the situation demands more than a commitment "to get started on this sometime."

"It's unacceptable, given the fact that the Alberta grizzly bear is an endangered population now."

Nigel Douglas of the Alberta Wilderness Association was also dismayed by the lack of short-term action.

"I don't see anything that makes grizzly bear habitat safer than it is now," Douglas said.

"There isn't anything that will directly help grizzly bears today. We're at such an urgent state now that we need to be looking at something immediately proactive."

Members of the Grizzly Bear Recovery Team, appointed by the province in 2000 to study the problem, have expressed some disappointment that the process is taking so long.

But spokesman Robert Barclay said the members are "just pleased that things are moving now, and we can get to work implementing this part of the plan that the minister has accepted.

"I'm pleased to see he's directing the people in his ministry to start implementing those recommendations," said Barclay, a scientist at the University of Calgary.

Morton said he is waiting for more information on numbers from an ongoing grizzly DNA capture project before deciding whether to classify the bears as threatened, as recommended in 2002 by the Endangered Species Conservation Committee.

"As we learn more about grizzly bear population dynamics in Alberta, the appropriate numbers will become clear," he told the recovery team in a letter Thursday.

But Gordon Stenhouse, a biologist conducting the count, says he doesn't expect the two areas still to be canvassed will add significant numbers of bears to those already counted.

Numbers so far suggest there are only about 340 bears between Highway 3 and Highway 16, including those in the national parks. Stenhouse is waiting for results from the survey of the area between Highway 3 and the Montana border, and has yet to survey the area north of Highway 16.

"Getting more data will help us understand that picture, but I am not expecting to find hundreds of bears that we didn't know about."

Stenhouse said he has already given Morton's department a draft report outlining core grizzly habitat areas that need to be protected.

Morton advised the grizzly bear recovery team that he won't automatically approve the funds recommended by the team to put the plan into effect. He has also rejected a call to create regional teams to implement the plan, saying he wanted to avoid "unnecessary bureaucracy."

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***Miscellaneous Government**

Tories field new candidate -- oust long serving MLA

Leduc Representative

Thu 18 Oct 2007

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Section: News

Byline: BY GRAHAM LONG, DRAYTON VALLEY WESTERN REVIEW

Diana McQueen will be the Progressive Conservative candidate in Drayton Valley/Calmar at the next provincial election. McQueen, who is about to start her second term as Mayor of Drayton Valley, defeated sitting MLA Tony Abbott in a tightly-fought nomination race which concluded on Saturday night.

After an extensive membership drive over the last two weeks, almost 1,700 Conservative party members took part in the election. When the ballot papers were counted McQueen had 949 votes and Abbott 750.

"We had such a great team working right across the constituency," said McQueen. "It's good to have so many people turn out."

Polls were held throughout the day on Saturday in Calmar, Breton, Ma-Me-O Beach and Drayton Valley. Ballot boxes were then brought to the Drayton Valley Masonic hall to be counted, with the result announced a little after 10 p.m.

"It was pretty nerve wracking," said McQueen, who was narrowly defeated by Abbott for the nomination seven years ago when former MLA Tom Thurber stepped down. "This was never about Tony not doing a good job, he's worked very hard for the entire constituency," she said.

Abbott, who could not be reached for comment, will continue as MLA until the next provincial election, which could be called as late as fall of 2009, but is likely to be sometime earlier.

So far the only other party to have nominated a candidate in Drayton Valley/Calmar is the Alberta Greens.

Green candidate Edwin Erickson, who finished second behind Abbott at the last election, said he liked and respected McQueen, but he thought the days of Conservative domination of Alberta politics were numbered.

"What I'd like to ask is, in 1912 when the Titanic went down, how many people were jumping on board?" he said.

Columnists

Don Braid, Calgary Herald

Royalty policy could spur Stelmach to call early vote

The Calgary Herald

Fri 19 Oct 2007

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Section: News

Byline: Don Braid

Column: Don Braid

Source: Calgary Herald

Premier Ed Stelmach spent Thursday morning in the legislature cabinet room, talking privately about royalties with deputy premier Ron Stevens, energy department officials and several others.

That's the premier's life these days -- a steady diet of overheated royalty review, with a side order of rehearsal for next Wednesday's TV address, and a few public appearances just for the oxygen.

The televised speech, sources say, will carry a heavy tone of impending electioneering. It won't just be about royalties; the premier will also talk about community safety, health care and other issues.

In a larger context, he'll try to show why he thinks royalty increases are essential. This will be about politics as much as economics.

An early election is still possible if the public response is favourable to the royalty policy. Stelmach could even call the vote for Monday, Dec. 3, the first anniversary of his victory in the Conservative leadership race.

The royalty policy will be rolled out next Thursday here in Calgary, not in Edmonton. Stelmach doesn't want the local barons to think he's hiding under his desk on the most important day for the industry in 25 years.

The big question, of course, is what that policy will be. Some early hints are drifting out. I tap them down with trembling fingers, because with this government, things can change in a big hurry. (Remember last spring's daily reversals on housing policy?)

First -- and this is a certainty -- Stelmach will not adopt the entire royalty report, despite chairman Bill Hunter's insistence.

The report has been a gigantic political pinata for the industry to smash with rhetorical bats, in the hope of keeping as much candy as possible.

But the document has never been the government's point of reference. After weeks of industry assault, it's mainly useful as an extreme position the government can safely modify while still looking firm.

Second, Stelmach will not raise royalties in the short term to damaging levels.

This is not a condo conversion; the point isn't to drive out the tenants, just raise the rent to a level everyone can pay without too much hardship.

I would be shocked, for instance, if royalties on most natural gas wells were raised at all for many months to come. The government knows this drilling season is in trouble and doesn't want to kill it.

Third, the royalty holiday for deep gas is likely to remain. Industry experts have been extremely confused by the panel's position on this. That's because it is, well, extremely confusing.

But the government should not remove this royalty holiday unless it has something better to offer.

Fourth, Stelmach & Co. will almost certainly implement royalty increases in stages. This premier likes to phase in everything -- municipal funding, for instance. He's a gradualist. It's not in his nature to slam on the instant increases the panel recommends.

Fifth, there will be some juicy incentives to upgrade more bitumen in Alberta.

Stelmach is offended by the idea of shipping out raw bitumen and buying the finished stuff back later.

He sounds like former premier Peter Lougheed, who once railed against "shipping jobs down the pipeline to Sarnia."

Stelmach's goal, in short, is to encourage value-added industry at home, while bringing in a royalty regime that pays more to the province, but is also more sensitive to industry conditions.

Can he please everybody? Not a chance. But a politician only has to please the majority.

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Rick Bell, Calgary Sun

What has Big Oil fed Albertans? Plenty of fear mongering! Here's the real story? The royalty review panel has done our province well

The Calgary Sun

Fri 19 Oct 2007

Page: 5

Section: News

Byline: BY RICK BELL

Column: Page Five

Good question. Why is all the talk about watering down the report of the province's business friendly panel on royalties?

Maybe the panel could have recommended Albertans get more than \$2 billion a year in added royalties.

Evan Chrapko thinks so.

But sadly, all the noise is coming from an agitated oilpatch accustomed to making the provincial government jump and collecting extra billions in a bull market because the Tories looked the other way

and didn't get us our share, a fact confirmed by Alberta's auditor general who found even the province's bean counters wanted a royalty hike long ago but Ralph's boys wouldn't allow it.

By the way, the auditor general also figured the panel could have recommended a bigger take.

Evan was a member of the royalty review panel, the group slimed by some oil and gas suits as a radical outfit, even though the members were all of capitalist conviction and Evan is a computer guy who sold one company for \$800 million.

And he's from up around Two Hills, so nobody can tell Evan to go back to Toronto.

"We came in under some of the advice we got, particularly in the oilsands. I probably would have held out for higher, especially if I knew the ensuing debate was going to be conducted on one side of the equation. We cut a balance and we did it on the low end of what might have been possible."

Evan, who laughs even when recounting how he and other panelists have been beaten up, chuckles about what went on in Alaska.

The oil and gas industry wanted to pay one amount and wouldn't move off their number.

The state wanted another higher amount.

Eventually, an adviser suggested the state raise their figure some more.

"So many CEOs flew in on their private jets they were wearing out the runway in Juneau," says Evan, referring to the Alaska capital.

Eventually, the number came in between the state's old figure, the one oil and gas hated, and the state's new figure, which drove them nuts.

And now, as Alaska debates yet another hike, the oil and gas crowd defend a status quo they once predicted would cripple the state.

Here, there has been no such poker playing, only a relentless assault on the panel report, starting with red-baiting and threats and ending with a hauling out of hardhats to plead for their jobs.

"I would feel better if the data was legitimate. I would feel better if the threats weren't there and the fear mongering was less hysterical. I wouldn't mind if the debate was based on fact, not fiction. But it's the same reaction industry unfolds in every jurisdiction raising royalty rates."

Even in the world of gas, where the griping is greatest and plenty of dollars have been made in recent years and an outmoded royalty system allowed big bucks to slip through the public purse into private pockets, all is not Armageddon.

Evan says the price of gas is going down but such is the cycle.

"There's not enough room in royalties to act as a magic wand, a buffer against the economy. The business is historically cyclical and royalties can't act as a safety net for capitalists. The rigs have been

built up to hunt \$12 and \$14 gas. Guess what happens at \$6 and \$7 gas? It kills the Johnny-Come-Latelys who climbed on board," he says.

"What everyone forgets is at \$6.20 we take less from 82% of the wells. At \$5, 100% of the wells will pay less. Now, as the price goes to \$7, royalties go up starting with the most profitable wells. But they want to have their cake and eat it too. They want as much as they think they can get on the upside."

Evan also points out none of the big oil companies are telling us what projects they'd supposedly cancel or the fact they will not commit to plowing their money into all the proposed projects if royalties don't change.

"You can't call them on any of this. It's the commodity prices, stupid. That's what drives these decisions."

Evan isn't done. He goes after those who say the panel's ideas are like the price-controlling National Energy Program as "wilfully deceitful or ignorant of reality."

He speaks of "the corporate deceit whether in the data used or the talk of the potential damage to the economy."

He speaks of oilpatch numbers where no one "has access to look under the hood."

"We did our service to the owners of the resources, Albertans, and that's a story not being told."

The premier is expected to roll out new royalties Oct. 25.

Evan doesn't want Ed to fold as Ralph did.

"It would be a compromise on what is already a compromise. But, in the end, no matter what, we'll be blamed."