



Legislative Assembly of Alberta

The 28th Legislature  
First Session

Standing Committee  
on  
Alberta's Economic Future

Bitumen Royalty in Kind Program

Wednesday, February 13, 2013  
1:02 p.m.

Transcript No. 28-1-6

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The 28th Legislature  
First Session**

**Standing Committee on Alberta's Economic Future**

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Bikman, Gary, Cardston-Taber-Warner (W), Deputy Chair  
Bhardwaj, Naresh, Edmonton-Ellerslie (PC)  
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Donovan, Ian, Little Bow (W)  
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Goudreau, Hector G., Dunvegan-Central Peace-Notley (PC)  
Hehr, Kent, Calgary-Buffalo (AL)  
Jansen, Sandra, Calgary-North West (PC)  
Luan, Jason, Calgary-Hawkwood (PC)  
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Olesen, Cathy, Sherwood Park (PC)  
Quadri, Sohail, Edmonton-Mill Woods (PC)  
Quest, Dave, Strathcona-Sherwood Park (PC)  
Rogers, George, Leduc-Beaumont (PC)  
Sandhu, Peter, Edmonton-Manning (PC)  
Sherman, Dr. Raj, Edmonton-Meadowlark (AL)  
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[Mr. Bikman in the chair]

**The Deputy Chair:** Thank you, ladies and gentlemen. Out of respect for those who have come on time, we will begin as close to on time as possible now that we have a quorum.

Welcome to members and staff in attendance at today's meeting of the Standing Committee on Alberta's Economic Future. Mr. Amery, committee chair, passes on his regrets that he's unable to attend today's meeting. I'll be chairing in his stead.

I'd like to call the meeting to order and ask that members and those joining the committee at the table introduce themselves for the record. Members who are sitting in as substitutes for committee members should indicate this in their introduction. Members that are teleconferencing into the meeting currently include Mr. Donovan and Mr. Luan. We'll start. I'm Gary Bikman from Cardston-Taber-Warner.

**Mrs. Sawchuk:** Karen Sawchuk, committee clerk.

**Dr. Massolin:** Good afternoon. Philip Massolin, manager of research services.

**Ms Robert:** Good afternoon. Nancy Robert, research officer with research services in the Legislative Assembly Office.

**Mr. Strankman:** Good afternoon. Rick Strankman, MLA, Drumheller-Stettler.

**Mrs. Towle:** Kerry Towle, MLA, Innisfail-Sylvan Lake.

**Ms Smith:** Danielle Smith, Highwood.

**Mr. McDonald:** Everett McDonald, Grande Prairie-Smoky.

**Mr. Goudreau:** Hector Goudreau, Dunvegan-Central Peace-Notley.

**Ms Blakeman:** Laurie Blakeman. I would like to welcome each and every one of you to my fabulous and blustery constituency of Edmonton-Centre.

**Ms Jansen:** Sandra Jansen, Calgary-North West.

**Mr. Bhardwaj:** Naresh Bhardwaj, Edmonton-Ellerslie.

**Mr. Sandhu:** Good afternoon. Peter Sandhu, Edmonton-Manning.

**Mr. Rogers:** George Rogers, Leduc-Beaumont.

**Mr. Quadri:** Sohail Quadri, Edmonton-Mill Woods.

**Mr. Dorward:** David Dorward, Edmonton-Gold Bar.

**The Deputy Chair:** Thank you all.

The meeting materials were posted to the internal committee website last week.

A few housekeeping items to address before we turn to the business at hand. The microphone consoles are operated by the *Hansard* staff. Please keep cellphones, iPhones, and BlackBerrys off the table as these may interfere with the audio feed. Audio of committee proceedings is streamed live on the Internet and recorded by *Hansard*. Audio access and meeting transcripts are obtained via the Legislative Assembly website.

Now I'd like approval of the agenda. Would somebody care to move that?

**Mr. Rogers:** I move that.

**The Deputy Chair:** All right. All in favour? Any opposed? Seeing none, it passes. Carried.

Approval of the minutes of December 11, 2012. Are there any errors or omissions to note?

**Mr. Rogers:** I'll move the minutes as circulated, Mr. Chairman.

**The Deputy Chair:** Thank you.

All right. All in favour? Carried.

**Mr. Dorward:** Just a small correction. Am I too slow? I was actually at the meeting. I did have to leave early, but I assume I should be on there.

**The Deputy Chair:** Duly noted with that correction, then. Let that be a lesson to you.

**Mr. Dorward:** Don't leave early.

**The Deputy Chair:** Review of stakeholder submissions and summary document. At its November 21, 2012, meeting the committee approved a stakeholder list comprising 38 interest groups, and invitations to make a submission to the committee were sent out in early December with a submission deadline of January 31, 2013. Members should have copies of the six submissions received as well as a submissions summary document completed by committee research services. If anyone needs copies, please let our committee clerk know.

At this point it should be noted that the submission from Shell Canada was received on February 4. Is there a consensus amongst members that submissions received up to this Friday, February 15, be included in the committee's review of the BRIK program? Consensus?

**Mr. Dorward:** Can you give the rationale? I don't get that.

**The Deputy Chair:** Okay.

**Mr. Goudreau:** I'm just wondering if the chair anticipates any more presentations in the next couple of weeks.

**The Deputy Chair:** Well, there may be. That will come up in our discussions in a few minutes. There could possibly be a suggestion of one or two others.

Dr. Massolin.

**Dr. Massolin:** Yes. I can maybe provide a rationale. It just stems from the previous Legislature and previous policy committees where there were sometimes, maybe even often, late submissions, and then you usually incorporate that and potentially, you know, going over into a few days later for other submissions to come in late. That's the rationale to extend it to Friday.

**Mr. Dorward:** Okay. I guess my concern is that there may be – if I remember correctly, the way that we went is that we sent out the letters to everybody and said: "Please give a written submission. We won't accept your standing before the committee unless the committee accepts that." If today we say – I don't want to presume what the committee is going to do – that the committee accepts the six submissions that we have and accepts the fact that we want to see them, I don't think that we should have a rush to the gate of people to get in a submission by Friday so that they'll necessarily have a sitting before us. There shouldn't be, I think, a presumption that they're going to be able to sit just because they send in a written submission by Friday albeit we did accept poten-

tially a sitting before us for the six that are presented. Is that fair to say?

**The Deputy Chair:** All right. Mr. McDonald and then Mr. Rogers.

**Mr. McDonald:** Thank you, Mr. Chair. I would suggest that we allow them to come, you know, anybody that's late, till Friday. I don't think that's onerous – we may have one, or there may not be any – just in case there is somebody out there that has been working diligently on something for our review. If we do accept presentations, we can always add if we need to. If there is a huge number, then we may need to allow the chair and the vice-chair to decide who should or should not present. But I have no problem with allowing the due on Friday thing.

**The Deputy Chair:** Thank you.

Mr. Rogers.

**Mr. Rogers:** Well, thank you. Mr. Chairman, through you I'd ask Dr. Massolin if from a research point of view and from what has been submitted so far, it would be his recommendation that we extend to Friday. That would help my decision in terms of a motion to extend. If I may have Dr. Massolin respond, please.

Thank you.

**Dr. Massolin:** Yeah. Mr. Chair, through you to Mr. Rogers, it's not a problem for us to incorporate the submission into, like, a summary and provide that work for the committee. We've done that in the past – it's not a problem – so that it, you know, becomes part of the summary information for down the road when the committee is ready to do its deliberations.

1:10

**Ms Blakeman:** Would you refresh my memory as to the date that we put out the call or the letter inviting applications and the original deadline? I have to say that the page and a quarter that Shell has managed to get to us after the deadline is not echoing the amount of work that was put into a number of the other submissions that we've received. How late were they?

**The Deputy Chair:** They submitted on February 4, and the deadline was the 31st of January.

**Ms Blakeman:** How much notice did they have to have it in by the 31st of January?

**The Deputy Chair:** It was the same as everyone else. It was sent out – go ahead.

**Mrs. Sawchuk:** Mr. Chair, the invitations to make a written submission were sent out December 7.

**Ms Blakeman:** Uh-huh. All right, then. Did we hear a particular reason why Shell couldn't manage to get it in when everyone else did?

**Mrs. Sawchuk:** Actually, Mr. Chair, just so that the committee has all the information, we were contacted by Shell the day before the deadline, and they advised that their submission would be sent electronically the next day. They were waiting for final signatures on it. Then what happened was that nothing came electronically. We received the written copy. So I'm assuming that it may have been an oversight. They plunked it in the mail, but nobody bothered to send it electronically.

**Ms Blakeman:** You are a kind and generous person, but I am not. Thank you.

**The Deputy Chair:** All right. We're asking if there is a consensus on whether we'll extend to this Friday. Those in favour of extending? Those opposed? It's carried. We will accept till Friday the 15th.

I would now like to ask Dr. Massolin to address the submissions summary document, which highlights the issues put forward by the stakeholders. Dr. Massolin.

**Dr. Massolin:** Thank you, Mr. Chair. Just before I pass it on to Nancy Robert, who will give a brief summary of the document, I want to make the committee aware of the fact that each submission is posted on the committee's internal website, in case committee members are not aware of that.

I'll pass it on to Nancy Robert to give us a summary, and then we'll be available for questions afterwards. Thank you.

**Ms Robert:** Thanks, Phil. Thanks, Mr. Chair. I just want to give the committee a brief overview of the written submissions received from the identified stakeholders regarding the committee's review of the BRIK program. As we've stated earlier, six submissions were received. All submitters either requested to appear before the committee or indicated a willingness to do so if asked. The summary of submissions prepared by research services was done late last week and was provided to the committee on the committee's internal website.

A variety of issues were raised in the submissions regarding bitumen production and the oil industry in general. The central issues raised related to arguments for and against upgrading bitumen in Alberta versus selling crude bitumen which is upgraded elsewhere; a lack of access to the world petroleum market and the challenges faced by oil producers in Alberta because of that; market conditions, the price differential between heavy and light oil. A lot of submitters also raised issues regarding the regulatory process and expressed a desire to have the regulatory review process streamlined and made a little bit quicker and more efficient.

The overarching theme I noticed in reviewing the submissions centres around the question: should Alberta be selling its crude bitumen for a relatively low price or keeping it in Alberta to upgrade and refine to value-added products it can sell for more money?

The submission by Dr. Amit Kumar, who is a professor in the department of mechanical engineering at the University of Alberta, suggests that

the debate over the domestic upgrading of bitumen is polarized between free market enthusiasts who emphasize that the decision to increase bitumen upgrading activity in Alberta should be governed by market forces; and others who believe that the loss of economic value as a result of the limited upgrading operations, which constrains the production of value-added products, is unjustified and warrants government intervention in the form of energy policy to galvanize upgrading activity in the province.

Dr. Kumar's comments are borne out in the submissions that were received. The Canadian Association of Petroleum Producers, or CAPP, comments in its submission that

business investment decisions, regarding the development of oil sands resources and the building of bitumen upgraders, should be based upon their associated economic benefits and business risk . . .

. . . the most efficient and beneficial outcome to the Province will be achieved if the market is allowed to decide which infrastructure choice has the greatest merit.

Shell Canada Energy in its submission supports CAPP's position on bitumen upgrading, reiterating that "market conditions should drive upgrading decisions." In contrast, the submission by

the Alberta Federation of Labour strongly supports more up-graders and refineries being built in Alberta to process bitumen and that processing bitumen locally will yield the best value for the resource, with the added benefit of supporting economic development in Alberta and creating employment for skilled workers.

Dr. Emilio Silva, a professor in the School of Energy and the Environment of the University of Alberta, provides comments on the risks and the rewards of the BRIK program and the barriers that exist to increased upgrading. He contends that the province should balance the risks and rewards of upgrading by attempting to “diversify its portfolio, holding a portion of its royalties in cash and a portion in kind.”

Teedrum Inc. provided a lengthy submission to the committee. Teedrum is a company that had been negotiating a commercial processing agreement with the government of Alberta from 2008 until 2012 to process the next tranche of royalty bitumen on behalf of the government. This agreement was being negotiated as a subsequent separate agreement to the initial BRIK partnership between the government of Alberta and the North West Redwater Partnership. As I mentioned, negotiations between the government and Teedrum were discontinued in 2012.

Teedrum's submission provides comments on the risks and rewards of the BRIK program, which were included in the summary of submissions. However, Teedrum also included information specifically related to the commercial processing agreement it had been negotiating with the government. That information was not included in the summary because it's outside of the scope of the committee's study of the effectiveness of the BRIK program.

That should hopefully give the committee a brief idea of what to expect when reading the submissions. If the members have any questions, I will try to answer them as best I can.

Thank you, Mr. Chair.

**The Deputy Chair:** Thank you very much.  
Questions? Discussion?

**Mr. Dorward:** Well, actually, I had a question. Firstly, I'm not sure if you were able to hear when North West Upgrading presented. Did you see a lot of differences between their presentation and their submission at all?

**Ms Robert:** North West didn't make a submission.

**Mr. Dorward:** Okay. Then that was in my minutes. Okay. We had six, then?

**Ms Robert:** We had six.

**Mr. Dorward:** Could we go through the six? I have AFL, CAPP, Shell, Teedrum, University of Alberta. Who am I missing?

**Ms Robert:** You know what? Value Creation Inc. made a submission, but it really didn't deal with what the committee was asking for at all. It basically was a one-page letter with an attached slide, which was a sample of a presentation that Value Creation had made to the government of Alberta regarding the process of cleaning oil. All they said was: if you're interested, I can bring the entire slide presentation to show you. But it didn't really address any of the questions or any of the scope that you were asking for in your motion.

**Mr. Dorward:** Okay. Thank you.

**Ms Jansen:** Just a quick clarification. You said that in the Teedrum information there was some information that was outside the scope of what you were looking for.

**Ms Robert:** Well, they provided a page that had some conditions that they wanted agreed to by the government before they would continue negotiating the contract they were negotiating with them, and that really has nothing to do with the committee's study of the BRIK program. It had to do with their dealings with the government in trying to negotiate an agreement.

**Ms Jansen:** Right. Is there a reason we need to have that in with the material?

1:20

**Ms Robert:** I didn't include it in the submission summary. It's in their submission, though, which we didn't tear apart. It's given to you as it was received.

**The Deputy Chair:** Other commentary, questions, discussion?

Then if one of you will make the following motion, I'll open the floor to discussion of the motion. Moved that written submissions received in respect of the review of the BRIK, bitumen royalty in kind, program by the Standing Committee on Alberta's Economic Future be posted to the external committee website.

**Mr. McDonald:** So moved, Mr. Chairman. Thank you.

**The Deputy Chair:** Okay. Discussion?

**Mr. Dorward:** I just wanted clarification on the information that was given to the proponents or the people who submitted. I assume there was a document. I apologize if it was sent to us; I didn't get a chance to review it. Did that document clearly show that it would be in the public domain, and did they agree to that? Is legislative counsel happy with us putting this information out in the public domain?

**The Deputy Chair:** Karen will address that.

**Mrs. Sawchuk:** Mr. Chair, I can speak to that. We did include a sentence. “Please assume that submissions to the Committee, including the identity of the author, will be made available to the public.” It's a standard kind of disclaimer that we put on these.

**The Deputy Chair:** Mr. Rogers.

**Mr. Rogers:** Thank you, Mr. Chairman. Just a little clarification if I may. As we heard the summary that was just given to us, I just need to clarify that this motion is that we will accept and subsequently publish these six submissions, or does that include the one you mentioned, Value Creation? We're just talking about these six? If that's the intent of the motion, Mr. McDonald, then I'm clear on that.

**Mr. McDonald:** Those are the ones that we've received.

**Mr. Rogers:** The ones that we've received. I'm good with that. Thank you.

**The Deputy Chair:** That includes Value.

**Mr. Rogers:** Oh, it includes Value? So it's everything that was submitted. It would be, in effect, seven.

**The Deputy Chair:** Value Creation is in the six.

**Mr. Rogers:** Well, I've got Dr. Kumar, of course. There are CAPP, Shell, the Federation of Labour, Dr. Silva, and Teedrum.

**Ms Robert:** The University of Alberta submitted one submission with two responses, and I just treated them differently because it was simpler.

**Mr. Rogers:** Okay. Fair enough. Then I'm clear, and I'm okay with that.

**The Deputy Chair:** Any other discussion on the motion, then? Those in favour? Opposed? Carried.

Decision on oral presentations. As part of discussions at our November 21, 2012, meeting the committee deferred a decision on oral presentations until after the submissions deadline passed as well as to hear from any additional groups that the committee may wish to invite.

First, each of the six submitters has requested an opportunity to appear before the committee. Is the committee in agreement that each of these six groups be invited to make an oral presentation to the committee at a future meeting? If you aren't, say something. Otherwise, we'll assume you are. Okay.

Second, there may be other groups that members wish to hear from. The chair, not me but Mr. Amery, asked that the committee consider inviting Alberta's Industrial Heartland Association to make an oral presentation. This group was not included in our stakeholders list, but the chair had a discussion with the representative from this group, and they are interested in presenting to the committee. A motion is required in this respect. I'd ask that a member make the following motion, and I'll open the floor to discussions. Moved that

the Standing Committee on Alberta's Economic Future schedule oral presentations from the six groups who made written submissions respecting the review of the BRIC, bitumen royalty in kind, program as well as from Alberta's Industrial Heartland Association and any other groups identified during the meeting for a date or dates during the week of February 25, 2013.

**Mr. Dorward:** I will make that motion for now – and I might accept a friendly amendment – but I would say from five of the groups who made written submissions and then I think a healthy discussion on whether we should include the one that sounded, at least at first blush, more like a sales call than truly dealing with bitumen upgrading. I didn't have the time to go through the details of reading that one or didn't see it. So a comment on that, and then maybe we could go to six. If it's just a sales call on cleaning oil, it doesn't fit into our parameters. Why would we have them come and talk to us?

**The Deputy Chair:** Okay. Comments or discussion on that? Mr. Rogers, please.

**Mr. Rogers:** Thank you, Mr. Chairman. I would certainly support the point made by Mr. Dorward. I think what we're looking at is the future of this program, people that are interested in giving us advice on what policies the government might devise to enhance and continue this process. I mean, what was put forward by Teedrum really was a rehashing of their efforts to participate in the program. Again, it was made clear to us that nothing was offered in terms of thoughts on the future of the program. I really wouldn't expect that this group would come and give us any more than what they've indicated here. Those are my thoughts.

**The Deputy Chair:** All right. Value Creation Inc. is the name of the company that Mr. Dorward was referring to.

**Mr. Dorward:** Yeah. Let's just make sure it's on the same page here, Mr. Rogers. The one that I was concerned with was the Value Creation one. I did not mean to exclude the Teedrum one. Maybe we could have research just touch base with us again as to the Value Creation issue. What did they submit? Did it seem to line up with what the objectives of the committee are?

**Ms Robert:** They submitted a slide from a presentation that they'd made to the government of Alberta "to share our perspective in support of the Premier's campaign to enhance sustainable oil sands development." It's one page of the slide presentation they made to the government of Alberta. It just has some technical headings, bitumen net-back, that kind of thing. It talks about a fundamental approach to clean oil. It doesn't say too much else. They may have something to offer. I'm just not sure.

**The Deputy Chair:** Go ahead, Doctor.

**Dr. Massolin:** Yes. Thank you, Mr. Chair. It's a three-page document. We can make copies quickly and get it circulated if we want to do it that way.

**The Deputy Chair:** Let's do that. Thank you.

In the meantime Ms Blakeman.

**Ms Blakeman:** No. Sorry. I was just sending my copy down to Mr. Dorward, which is what I was circulating. Thank you.

**The Deputy Chair:** All right.

**Ms Smith:** I just wonder: is this the opportunity to perhaps propose a couple of other associations that we might want to approach? I just went through the list of people we had originally asked to participate. I just fear there are a couple that might have been missing from that list.

I don't know if now is appropriate for me to suggest that we extend an invitation to two others, but the two that I was thinking of are the Canadian Heavy Oil Association and IOSA, the In Situ Oil Sands Alliance, as well. It seems to me that they as producers might have some interest in being able to provide some perspective on it that's a little bit different than CAPP. I think that CAPP is an umbrella organization, not necessarily dealing specifically in the areas that we're talking about. Having looked at the list, it did seem like they got missed through an oversight for an invitation. If we're going to be extending an invitation to the Industrial Heartland Association, I'm just thinking it might be appropriate to see if either one or both of those want to make a submission as well.

**The Deputy Chair:** I think what we're doing right now is discussing. If we're discussing eliminating some, we've already agreed in principle that we would consider any submissions up to and including the 15th, so I think that that kind of gives you the opportunity, if you wanted to, to extend that invitation. If it was received by the 15th, then research staff would review it.

Am I out of line, anyone? I often am, but am I now? Dr. Dorward.

**Mr. Dorward:** No. I asked *Hansard* the other day, "If somebody says 'Dr. Dorward,' does *Hansard* have to put it in as Dr. Dorward?" They said: "Yes, we do." And I said: "Well, then, keep it up."

I understand, if I've got this right, Ms Smith, they weren't on that list of the letters?

**Ms Smith:** No, they weren't. I guess it must have just been an oversight on my part. I probably should have noted that earlier. I just noticed it now.

**1:30**

**Mr. Dorward:** Okay. As I understand it, you're asking to have them give a verbal like we're asking Alberta's industrial for without them having to submit anything by Friday?

**Ms Smith:** Correct. It may well be that they don't worry so much about that aspect of the production. Maybe it's not something they would want to make a presentation on, but it does seem to me that it would immediately and directly impact their business, so it does strike me that we probably should have given them an invitation in the first place. Having not done so, it might be worthwhile to at least let them know this process is going on to see if they have an opportunity to be able to make a presentation.

**The Deputy Chair:** Well, let me just clarify that the motion refers to scheduling oral presentations from the six currently. I misstated when I said that someone could ask somebody else, too. We can take under advisement, then, that we extend the invitation to the Canadian Heavy Oil Association as well as IOSA. Is that who you mentioned?

**Ms Smith:** Yeah.

**The Deputy Chair:** That would be outside the purview of this motion, correct? No?

**Mr. Dorward:** I made the motion, and I think that I said five. The ones I included in the five were the Alberta Federation of Labour, CAPP, Shell, Teedrum, and the University of Alberta.

**Ms Smith:** And the Industrial Heartland Association.

**Mr. Dorward:** And the Industrial Heartland, but that's a separate part of the motion. You're right. I had them in there.

I would like to hear people's thoughts on whether we should put in the other two, but maybe I also want to hear how long people want this to last for in terms of meeting hours or days.

**The Deputy Chair:** Mr. Rogers.

**Mr. Rogers:** Well, thank you, Mr. Chairman. Frankly, I would support the opening of that invitation to those two entities because of the work that they do. I think they could add something. It's too bad that we didn't ask them for a paper. If they're willing to come and make an oral submission, whether they can get a paper to us in a couple of days or whatever – I guess the day after Valentine's; I should know that – or whether they can get a paper to us on time, I don't know that we would limit it, that they would still present if they can't get a paper.

So I'm in support of those two, but I'm still concerned. I raised earlier that I really didn't see that Teedrum would have much to offer based on what they've submitted, so I'd still like to have that discussion as well.

**Ms Jansen:** Further to what Mr. Rogers has said, I do have one question on the information from Teedrum, and that concerns the conditional commitment to supply Crown royalty bitumen. At the end of this particular document, under general provisions, there was an obligation of confidentiality that clearly states:

The terms of this document shall be kept confidential by the Parties, subject to requirements of applicable law and any order of a court or regulatory authority of competent jurisdiction.

I can go on. Is that a concern?

Notwithstanding the foregoing, Teedrum and First Nations would be able to disclose this document or the contents thereof, subject to a similar obligation of confidentiality given by the parties receiving such information, and only as reasonably required to further the Project, to the Government of Canada and any agency thereof and to regulatory authorities, proposed investors, proposed lenders, ratings agencies and proposed contractors, suppliers, customers and advisors.

I just want that noted for the record, that this is contained in that last document. I'm assuming that since these documents will be posted to a public website, this is something we may want to take under advisement.

**The Deputy Chair:** Yes. I can respond to that with the information I have. This was discussed with Dr. Massolin as well as Shannon Dean this morning, prior to commencing with this meeting, so they are aware of it, and they felt comfortable with it.

All right.

**Ms Smith:** Since I had suggested initially that we should invite Teedrum, I would like to hear from them. I do think it is appropriate for this committee to know. We've already heard from somebody who went through the process, and it worked out for them, Northwest. We heard from Teedrum, who went through the process, and it did not work out for them. If we're trying to develop some policy around how we proceed with future such arrangements with government, I think it's important to hear from those who were successful as well those who weren't so that we are able to chart some sort of policy direction to give advice on how the process can be improved for those applicants who want to come forward with this. So I would be in favour of hearing a verbal submission from them as well.

**The Deputy Chair:** Thank you.

**Ms Blakeman:** I just wanted to add to the comments of Ms Jansen, previous to me. It's always been discussed on these committees that anything that the committee uses to come to a decision should be available to the public so they can understand how we came to a decision, which is why the proviso always goes out on any media that's requesting people to come and also goes out as part of any request for stakeholder input that it's very clear that we anticipate publishing so the public can read anything that we read and know how we came to our decision.

It's regrettable that this particular group chose to attach that, but I think it's important that the public knows what we read and how we came to a decision. Having a submitter try and subvert the wishes of the committee is not on, quite frankly.

**Mr. Dorward:** I left them in the motion for a reason. They submitted something to us, and I think they should be heard. The first line of their letter on January 21 says it, and I think that's what this committee should keep in mind when we have all of the submitters come before us and sit before us; that is, you know, that this is Alberta's economic future, and it's a big-view kind of a picture.

If we get into the minutiae of why somebody submitted, wanted to do a deal similar to the North West upgrader after and why it didn't work, I mean, that really is not what we're about. We're trying to find a way that Alberta's economic future is going to be enhanced by the use of the bitumen, that is the reality of what we have in Alberta at this time. It says right in their letter, "put forth our knowledge and experience with the BRK program." If they can bring something to the table, I think that's good.

I think, though, that at the time we have the verbal submissions from all of the groups, quite frankly, we'll need to make sure that they stay on track with respect to that.

**The Deputy Chair:** Ms Dean, would you care to comment on the issues that were raised about the nondisclosure?

**Ms Dean:** No, I don't, Mr. Chair. I believe the motion that was just previously passed by the committee was that the submissions be made available to the public, so that decision has been made.

**The Deputy Chair:** Yes. All right. Thank you.

Other comments?

Do we have a motion, or has it been amended?

**Mr. Dorward:** Well, Mr. Chair, the conversation that I didn't hear is: are we doing a disfavour to the Value Creation folks by not having them come? My motion right now doesn't have them in the list, but I can amend my motion if you feel strongly that that's strong enough to have them come.

**The Deputy Chair:** Mr. McDonald.

**Mr. McDonald:** Yeah. Thank you, Mr. Chair. I believe they should be allowed to come. They've showed interest. They maybe with some clarification from the chair and the staff will be able to come up with a better opportunity to present what we're looking for. They may be able to have that opportunity to put a package together that we'd be more interested in. I would like to see them included.

**Mr. Dorward:** I will amend my motion to make the motion as it was written, which says, "the six groups who made written submissions respecting" and add "the Canadian Heavy Oil Association" to the motion after the words "Alberta Industrial Heartland Association".

**Ms Smith:** And the in situ oil sands association

**Mr. Dorward:** And the in situ oil sands association.

**Dr. Massolin:** I think it's alliance.

**Mr. Dorward:** Alliance. Wording to be massaged according to the clerk's Google work.

**Mr. McDonald:** I would just caution that, you know, those are the things that we know, and that was the motion we were putting forth. We may find that these other two individuals are not interested in making a presentation. I would suggest that that be left up to the chair, that if there is a submission or indication by the 15th that they are interested in coming, then it could be at their discretion to decide whether they need to be involved or not. They may not. They may say: you know, we're okay. I would just suggest that the motion as it was would be fine, and if other submissions are required, then the chair and his committee can decide whether they need to come or not.

**Mr. Rogers:** It's an invitation. They may decline the invitation, Mr. Chairman.

**Mr. Bhardwaj:** I think after making those changes, I would second that motion.

**1:40**

**The Deputy Chair:** Okay. We don't need a seconder.

All right. Do we need to read the motion as it now stands?

**Hon. Members:** Please.

**The Deputy Chair:** Moved by Mr. Dorward that the Standing Committee on Alberta's Economic Future schedule oral presentations from the six groups who made written submissions respecting the review of the BRIK, bitumen royalty in kind, program as well as from the Alberta Industrial Heartland Association, Canadian Heavy Oil Association, and IOSA for a date or dates during the week of February 25, 2013.

**Ms Smith:** I wanted to see if there's some flexibility on the dates. I know myself and my colleague Ms Towle have already scheduled extensive travel during that week, so we'd have to have substitutes sit on the committee in that week. I know that we want to have a report done by the end of April. What are the other options for us to be able to look at dates?

**The Deputy Chair:** Mr. McDonald, please.

**Mr. McDonald:** Thank you, Mr. Chair. You know, I appreciate the concern, but we all have schedules like that, and that's why it's nice to have the opportunity to have substitutes, so that they can take notes and be involved in the process. I think you could pick a date, and every one of us will have a reason we would rather not be here. There are things in our constituencies that are always important.

**The Deputy Chair:** In your case and mine it would be consulting barbers, right?

**Mr. McDonald:** Yeah, that's right. Got to get a haircut that day. Thank you, Mr. Chair.

**The Deputy Chair:** Mrs. Towle.

**Mrs. Towle:** Thank you, Mr. Chair. I can appreciate Mr. McDonald's position. However, I don't know that scheduling a full day to hear from these types of groups is productive when you're hearing one right after another, another, another. We might get more value if we could hear them in lumps, whether it be three at a time, digest it, three at a time, digest it. I agree that there's lots of stuff to be doing. We're heading into session the week right after that, and everybody does have lots of stuff to do, but the very next week we're here.

There might be an opportunity on the Monday morning. Rather than having people come up the week of February 25, come up on the Monday morning and start then or do it as we did before, where we take it over a supper break and have the opportunity to interview these, where you're not doing six in a row.

**The Deputy Chair:** Six at a sitting, you mean?

**Mrs. Towle:** Six in a sitting; sorry.

**The Deputy Chair:** All right.

Other thoughts? Mr. Rogers.

**Mr. Rogers:** Thank you, Mr. Chairman. With all due respect, Mrs. Towle, I know we all struggle with our schedules. The reason we have the research staff here, of course: we'll all hear, and we'll form some opinions, but these folks are going to analyze a lot of the detail that's heard. They will summarize, and at some point it'll come back to us.

It's just my opinion, but I think that scheduling the presenters and us, particularly us, outside of session is really – once the session is started, with the gruelling nature of session we know that it can be meetings in between and when you're in and when



you're out of session. I think we're better off to just try whatever date is the best date. I don't know what that day is. I haven't even looked at my schedule to find out.

I think it's best that we put them in one day, get it over with, digest as much as we can as individuals here, and look to these fine people who are charged with digesting or consolidating a lot of what they've heard and bringing it back to us to help us to understand. I would support the full day.

Thank you.

**The Deputy Chair:** Ms Fenske.

**Ms Fenske:** Yes. Thank you. Sitting on another committee, where we tried to shoehorn delegations in over the supper hour, frankly I found was rather disrespectful to the committee. We're in a rush. We don't actually have that opportunity. You know, you're late getting there; you're leaving early. I don't think we give the people who do the presentations the respect that they deserve, so I would prefer to have it in the entire day. I know that's a lot to digest. I understand that. But I think that gives us more flexibility when those presenters come and go and gives us a little more time to be able to deal with them on what I would say is a more professional basis.

**The Deputy Chair:** All right. We've got the motion on the floor. I'd like to call the question. All in favour? Those opposed? Carried.

Is the committee in agreement with the usual format for oral presentations: 20 minutes for the presentation, followed by 20 minutes for questions from the committee? If you disagree, say something; otherwise, we'll assume agreement.

**Mr. Dorward:** Let's just break that down. There are eight, potentially nine presenters, and you're talking 40 minutes each.

**The Deputy Chair:** Three hundred and sixty minutes is six hours.

**Mr. Dorward:** Yeah. Six hours, come and go. That's reasonable.

**The Deputy Chair:** All right. Are there any other items for discussion? If not, we'll move to the date of the next meeting, which will be the meeting where we will receive these presentations. Any other business?

Okay. The date of the next meeting and update on review process. As put forward in our motion respecting oral presentations, the committee will meet during the week of February 25. It has been suggested outside of this particular meeting that we book two or three four-hour meetings that week to hear oral presentations as well as a two-hour meeting following the oral presentations to review the process to date and what is required for the committee to complete its review. So if you'll consider that versus having it on one specific date, any discussion about that? The day that we're looking at is Tuesday, February 26.

**Mr. Rogers:** Sounds good. For the presentations?

**The Deputy Chair:** For the presentations to go all in one day.

Okay. We're not asking for a motion. I guess we're looking for consensus, then. Consensus? Are we mostly in favour of the 26th?

**Ms Blakeman:** I'll have to come and go, but that's okay.

**The Deputy Chair:** All right. The 26th it is.

Okay. Looking back at the timeline document that was approved at our November 21, 2012, meeting, the committee is on schedule within a week either way of the dates originally put forward. If we can schedule these next few meetings, then the

committee would be in a position to provide direction to the working group on the drafting of its report by the end of February. Keeping in mind our sessional and main estimates meetings schedule starting in March, the committee could meet in mid-April to review and approve its report and be in a position to table its report by the week of April 22. Sound good?

**Mr. Rogers:** Mr. Chairman, are we looking at another day in that week as well?

**The Deputy Chair:** For that two-hour review?

**Mr. Rogers:** Right.

**The Deputy Chair:** I think we would perhaps decide that at the end of those presentations because if they don't get wrapped up . . .

**Mr. Rogers:** Again, with scheduling from now, Mr. Chairman, it's up to the rest of the colleagues around the table, but we might as well at least give ourselves the time to make some other adjustments if we need to or get substitutes, what have you.

**The Deputy Chair:** How is Wednesday, February 27?

**Mr. Rogers:** That's not good for me as I'm in another Leg. committee meeting that day. The 28th is good for me. I don't know about others.

**The Deputy Chair:** For those of us that have to travel great distances, leaping tall buildings with a single bound, it would be best to have it the next day.

Does it work for you? The 28th?

**Ms Jansen:** We have an operations meeting and Leg. review all day.

**The Deputy Chair:** This meeting would be two hours. The suggestion we had was February 27, from 11 a.m. to 1 p.m.

**Mr. Rogers:** It's possible. It gives me half an hour before another Leg. meeting. I'm good.

**The Deputy Chair:** Let's see for whom that works and for whom that doesn't work. For whom does it work?

1:50

**Mr. Donovan:** If I can, Mr. Chairman.

**The Deputy Chair:** Yes, please.

**Mr. Donovan:** On the 27th we have a PAC meeting, Standing Committee on Public Accounts, according to my calendar, from 9:30 to 11.

**The Deputy Chair:** That will be over at 11. Is that in this same area?

**Mrs. Sawchuk:** The same floor.

**The Deputy Chair:** So once you vacate, then some of you would stay sitting, I suppose.

**Mr. Dorward:** It's okay. There's no overlap.

**The Deputy Chair:** Okay. Good. No overlap. Then that should work.

Who can't make it? One, two, three, four, five, six, seven.

Okay. We will get some dates together and poll you all.

**Mr. Rogers:** If I may, Mr. Chairman. Now, I don't know; I'm just throwing this out, again keeping in mind people with very long distances. I mean, I'm half an hour away, so that's not me. Unless we need our staff to do some work after the presentations – we're here wherever we've travelled from – could we have a ridiculously longer day on the 26th? I'd just throw that out, recognizing that people are here already. You're probably not going back till the next day if you're heading back or something. I'd just throw that out. I don't know if that helps.

**The Deputy Chair:** Worth considering. Staff, is that a problem?

**Mr. Dorward:** Just include that in the poll.

**The Deputy Chair:** Okay. We'll poll, and that will be one of the options. Thank you, Mr. Rogers.

**Ms Blakeman:** I'm sorry. What was the timing for the February 26 meeting, the Tuesday? From 8:30 to 4:30?

**The Deputy Chair:** From 8:30 to 4:30 or 5. Yes.

**Ms Blakeman:** From 8:30 to 5? Okay.

**The Deputy Chair:** It'll depend upon what the various groups agree to, obviously. That will be polled.

**Mr. Rogers:** Potentially, then, 8:30 to 5, which would include the two-hour meeting?

**The Deputy Chair:** No. Then we'd have a two-hour meeting after that if that was what you all decided.

**Mr. Rogers:** Okay. I'm just throwing that out. People are here. I mean, for me half an hour to home is not a problem. You guys are here with many hours to go somewhere else.

**The Deputy Chair:** Okay. That's what we'll do.  
Anything else? Or are we ready for Mr. Roger's motion?

**Mr. Rogers:** I've made enough, Mr. Chairman. I'm quite willing to let somebody else get on the record.

**The Deputy Chair:** Well, you're always the first one to say that we're ready to adjourn.

Somebody else want to? There we go. A motion to adjourn. Thank you.

Thank you all for coming.

[The committee adjourned at 1:53 p.m.]



