



Legislative Assembly of Alberta

The 29th Legislature
Fourth Session

Standing Committee
on
Alberta's Economic Future

Ministry of Executive Council
Consideration of Main Estimates

Wednesday, April 18, 2018
3:30 p.m.

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Fourth Session**

Standing Committee on Alberta's Economic Future

Sucha, Graham, Calgary-Shaw (NDP), Chair
van Dijken, Glenn, Barrhead-Morinville-Westlock (UCP), Deputy Chair

Carson, Jonathon, Edmonton-Meadowlark (NDP)
Clark, Greg, Calgary-Elbow (AP)
Connolly, Michael R.D., Calgary-Hawkwood (NDP)
Coolahan, Craig, Calgary-Klein (NDP)
Dach, Lorne, Edmonton-McClung (NDP)
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Gotfried, Richard, Calgary-Fish Creek (UCP)
Littlewood, Jessica, Fort Saskatchewan-Vegreville (NDP)
Piquette, Colin, Athabasca-Sturgeon-Redwater (NDP)
Schneider, David A., Little Bow (UCP)
Schreiner, Kim, Red Deer-North (NDP)
Starke, Dr. Richard, Vermilion-Lloydminster (PC)
Taylor, Wes, Battle River-Wainwright (UCP)

Also in Attendance

Kenney, Hon. Jason, PC, Calgary-Lougheed (UCP)
McIver, Ric, Calgary-Hays (UCP)
Nixon, Jason, Rimbey-Rocky Mountain House-Sundre (UCP)

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Standing Committee on Alberta's Economic Future

Participant

Ministry of Executive Council

Hon. Rachel Notley, Premier and President of Executive Council

3:30 p.m.

Wednesday, April 18, 2018

[Mr. Sucha in the chair]

**Ministry of Executive Council
Consideration of Main Estimates**

The Chair: Good afternoon, everyone. I'd like to call the meeting to order and welcome everyone. Before we begin, I would like to recognize that we are commencing this meeting on the traditional territory of the Treaty 6 people.

The committee has under consideration the estimates of Executive Council for the fiscal year ending March 31, 2019.

I'd ask that we go around the table and have all MLAs introduce themselves for the record. Premier, when we get to you, if you could introduce the officials that are joining you at the table. I'm Graham Sucha, the MLA for Calgary-Shaw. I'm the chair of this committee. I will begin with my deputy chair, to my right.

Mr. van Dijken: Glenn van Dijken, MLA for Barrhead-Morinville-Westlock, deputy chair.

Mr. Kenney: Jason Kenney, Calgary-Lougheed, Leader of the Opposition.

Mr. McIver: Ric McIver, MLA, Calgary-Hays.

Mr. Taylor: Good afternoon. Wes Taylor, MLA for beautiful Battle River-Wainwright.

Mr. Schneider: Dave Schneider, Little Bow.

Mr. Gotfried: Good afternoon. Richard Gotfried, MLA, Calgary-Fish Creek.

Mr. Clark: Good afternoon. Greg Clark, MLA, Calgary-Elbow.

Mr. Nixon: Good afternoon. Jason Nixon, MLA, Rimbey-Rocky Mountain House-Sundre.

Ms Notley: Rachel Notley, MLA, Edmonton-Strathcona, Premier. To my left is Marcia Nelson, Deputy Minister of Executive Council. To my right is Lora Pillipow, deputy clerk of Executive Council and deputy secretary to cabinet, and to my further right is Scott McFadyen, executive director of financial services and senior financial officer.

Mr. Dach: Good afternoon. Welcome to spring. Lorne Dach, MLA for Edmonton-McClung.

Mr. Carson: Good afternoon. Jon Carson, MLA, Edmonton-Meadowlark.

Mr. Coolahan: Hello. Craig Coolahan, the MLA for Calgary-Klein.

Connolly: Michael Connolly, MLA for Calgary-Hawkwood.

Mrs. Schreiner: Good afternoon. Kim Schreiner, MLA, Red Deer-North.

Mr. Piquette: Good afternoon. Colin Piquette, MLA for Athabasca-Sturgeon-Redwater.

Ms Fitzpatrick: Good afternoon. Maria Fitzpatrick, MLA, Lethbridge-East.

The Chair: All right. Please note that the microphones are operated by *Hansard*, so there's no need to touch the consoles. The committee proceedings are being live streamed on the Internet and broadcast on Alberta Assembly TV. Please set your cellphones and other devices to silent for the duration of this meeting.

Hon. members, the standing orders set out the process for consideration of the main estimates, including the speaking rotation. As set out in Standing Order 59.01(6), the rotation is as follows. The Premier or the member of Executive Council acting on the Premier's behalf may make opening comments not to exceed 10 minutes. For the next 50 minutes members of the Official Opposition and the Premier may speak. For the next 20 minutes members of the third party and the Premier may speak. For the next 20 minutes members of any other party represented in the Assembly or any independent members, if any, and the Premier may speak. For the next 20 minutes private members of the government caucus and the Premier may speak. For the time remaining, we will follow the same rotation just outlined to the extent possible; however, the speaking times are reduced to five minutes as set out in Standing Order 59.02(1)(c).

Members may speak more than once; however, speaking times for the first rotation are limited to 10 minutes at any one time. The Premier and a member may combine their time for a total of 20 minutes. For the rotation that follows, with speaking times of up to five minutes, the Premier and a member may combine their speaking times for a total of 10 minutes.

As per usual, discussion should flow through the chair at all times regardless of whether or not the speaking times are being combined. Members are asked to advise the chair at the beginning of their rotation if they wish to combine their time with the Premier's time. If any members have any questions regarding speaking times or rotations, please feel free to send a note or speak directly to either the chair or the committee clerk about the process.

A total of two hours has been scheduled for consideration of the estimates for Executive Council.

Committee members, ministers, and other members who are not committee members may participate; however, only a committee member or an official substitute may introduce an amendment during a committee's review of the estimates.

Ministry officials may be present and at the direction of the Premier address the committee. Ministry officials seated in the gallery, if called upon, have access to a microphone in the gallery area. Ministry officials are reminded to introduce themselves prior to responding to any questions. Pages are available to deliver notes or other materials between the gallery and the table. Attendees in the gallery should not approach the table. Members' staff may be present and seated alongside the committee room wall. Space permitting, opposition caucus staff may sit at the table to assist their members; however, members have priority to sit at the table at all times.

If debate is exhausted prior to the two hours, the Executive Council estimates are deemed to have been considered for the time allotted in the schedule, and the committee will adjourn. Otherwise, this committee's scheduled end time today is 5:30 p.m.

Points of order will be dealt with as they arise, and the clock will continue to run.

Any written materials provided in response to questions raised during the main estimates should be tabled by the Premier in the Assembly for the benefit of all members.

The vote on the estimates and any amendments is deferred until consideration of all ministry estimates has concluded and will occur in Committee of Supply tomorrow, April 19, 2018.

Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are being moved. The

original amendment is to be deposited with the committee clerk, and 20 copies of the amendment must be provided at the meeting for committee members and staff.

I'll now invite the Premier to begin with her opening remarks. You have 10 minutes.

Ms Notley: Thank you very much, Mr. Chair. I'm pleased to be here with everyone and to welcome everyone to what I'm sure will be an excellent conversation. As I've said, I'm also pleased to be able to present the Ministry of Executive Council's estimates and business plan for 2018-2019.

I have already introduced the folks who I am joined by at the table, so I'll move on from that, but I do want to take this opportunity to put my thanks to them and everyone at Executive Council on the record. Among many things, their hard work has helped steer Alberta through the oil price collapse and the toughest recession in generations. They are dedicated Albertans and dedicated public servants. We are fortunate to have them in our public service, and I thank them for their hard work and dedication to Albertans. Each and every one of them makes life better for people and families in our province.

That's the focus of the work of Executive Council: supporting government, supporting the ministries; ensuring that programs, services, agencies, and outcomes are co-ordinated, aligned with the commitments our government has made to Albertans; and, above all, to help make life better for people. We're doing that by helping to create good jobs and building badly needed infrastructure projects such as the Calgary cancer centre, the green line, new schools, hospitals, health centres, highways, and more. We're protecting and improving the public services that all Albertans rely on such as education and health care, and we're working to make life more affordable for everyday families by capping electricity rates, freezing tuition, cutting school fees, and expanding our \$25-a-day child care program.

Thanks to those efforts and the job-creating efforts of Albertans across our province, things are looking up: 90,000 new jobs last year, the fastest growing economy in Canada, and nearly every sector of our economy expanding. But we also note that there is more to do to make sure that the recovery reaches each and every Albertan. Among many ways that we are working to do that is by fighting to get Trans Mountain built. We'll have more time to speak on this in the days and weeks to come, I'm sure, but let me just say this again: I remain convinced that the pipeline will be built. Our markets finally will be diversified, and all Albertans will be better off for it. They'll be better off as well in the schools, in the hospitals, and through the good jobs that that success will create. Again, thank you to Executive Council staff for supporting these important efforts.

Now, in the time that I have for these opening remarks, I would like to provide you all with a breakdown of the structure and a little bit of the operations of Executive Council as well as a review of the goals of Executive Council, how we've worked to improve the performance measures of Executive Council, and how we have worked to reduce spending.

As an overview, Executive Council is composed of the following areas: the office of the Premier, the deputy minister's office, the policy co-ordination office, the cabinet co-ordination office, intergovernmental relations, the operations and machinery of government office, the protocol office, and, of course, administrative and functional support for the office of the Lieutenant Governor to help ensure the smooth operations of our parliamentary system.

As you know, the Public Affairs Bureau, which once existed within Executive Council, has now been relocated to Treasury Board and Finance under the new title of communications and

public engagement, or CP as we now call it. I'm sure you've already had a chance to speak at length about that department with the Minister of Finance.

Now allow me to talk a little bit about the operations of the various remaining components of Executive Council. The department works with me as Premier and with cabinet and ministries to implement our decisions in a timely, thoughtful, and efficient way. It also co-ordinates ministry materials for cabinet and provides cabinet and cabinet committees with advice on policy and legislative issues.

The first outcome in the department's business plan for 2018-21 is that government's agenda is effectively implemented in co-ordination with ministries. To do all that, my chief of staff and deputy chief of staff lead two Premier's offices, one in Edmonton and one in Calgary. As head of the public service the Deputy Minister of Executive Council provides strategic policy advice and operations and issues management that supports government decision-making. The deputy minister also serves as secretary to cabinet and the head, of course, of Alberta's hard-working public service.

The policy co-ordination office works with ministries to align their work with government's policy agenda. The cabinet co-ordination office provides secretariat support to cabinet and its committees. The two co-ordination offices also liaise with Executive Council and ministries to address emerging issues.

3:40

The Alberta protocol office leads key visits linked to our international priorities.

Corporate services supports the day-to-day operations of the ministry, including records management, IT support, and more.

The officials in intergovernmental relations, or IGR, help to build relationships that serve Alberta's priorities across Confederation. This includes the Council of the Federation, first ministers' meetings, the Western Premiers' Conference, and bilateral meetings with the Prime Minister and other Premiers. IGR, for instance, helped Alberta host the Council of the Federation meeting here last July, and I can say with great pride that it was quite successful and that we were well served by members of that part of our government. As I'm sure you can all imagine, they have been very busy making sure that Alberta is well represented and heard across Canada as we do the hard work of fighting for pipelines.

As for the goals of Executive Council, this year's business plan has changed somewhat. The plan adds new performance measures to hold Executive Council to account. Now, as I committed to last year, my officials have been working on developing new performance measures and indicators to capture the scope and impact of the work of Executive Council. These new measures and indicators are included in this year's business plan.

Now, we undertook a process of reviewing the performance measures used in similar documents throughout the country, including the federal government. Through this scan we determined that Alberta is actually a leader in how we report to the public in terms of our forward-facing business plans and performance measures. Of the other jurisdictions producing similar-style documents, only Alberta includes outward-facing, quantitative performance measures.

A little bit of a closer look. We have kept the satisfaction-based performance measures in the 2018 business plan for consistency, notwithstanding some of the legitimate questions and concerns that were raised about those measures in the past. The old performance measures provide a sense of history and a comparison so that we can truly see how we are performing year over year.

Under the business plan's first outcome, implementing government's agenda with ministries, the business plan now has two new measures under that outcome. Those new measures focus on key components in the development of good policy, the use of resources, and the effectiveness of policy advice and support. Having ready access to effective tools and resources is key to enabling effective policy development. Executive Council will track the number of visits to our internal website to measure department awareness and use of tools and supports. This new measure tracks whether or not departments are accessing the policy development and co-ordination resources that are available to them.

The second new performance measure focuses on if the advice we give to departments gets us closer to implementing government's strategic agenda. Instead of measuring satisfaction, the new measure focuses on how Executive Council's advice actually helps ministries align policy support with government's strategic priorities.

Mr. Chair, in 2018-19 Executive Council will provide policy, legislative, and implementation support to all of government, including ministries, cabinet, and myself as Premier, and it will do so with an overall budget that has been reduced by \$149,000, or 1 per cent. These savings result from reductions in a number of areas, some examples of which include travel, supplies, and other in-year efficiencies. We are committed to prudent spending and saving, and we are leading by example. We, for example, have cut our hospitality expenses in half this year when compared to last. Travel costs across all ministers' offices have been reduced by 57 per cent since we took office. We also recently lowered the price ceilings for executive fleet vehicles to \$39,000 for hybrids and \$32,000 for gas and diesel vehicles. These are down from the \$45,000 limit that was in place before.

As I noted earlier, we consolidated our communications and public engagement branch into Treasury Board and Finance, a move that will save 4 and a half million dollars annually. That is good value for the money and for the vital work of the dedicated professionals in this department.

So, Mr. Chair, I strongly urge all members to support this budget and this business plan for Executive Council. Doing so will help ministries and cabinet develop co-ordinated policies and legislation and will help implement the decisions that support government's work to make life better for people in this province. We can help create good jobs, we can protect and improve the schools, hospitals, and public services all Albertans rely on, we can make life more affordable for everyday families, and we can finally diversify our export markets, finally break our land lock, finally get a better price for our resources, owned by all of us.

Thank you.

The Chair: Thank you very much, Premier.

For the 50 minutes that follow, members of the Official Opposition and the Premier may speak. Would you like to share your time with the Premier, Mr. Kenney?

Mr. Kenney: Isn't this asking questions?

The Chair: Yeah. Just for clarification, you have two options in the format, if the Premier does agree, where you can take the first 10-minute block and she can take the additional one and you can ask as many questions as you want in those 10 minutes, or you can go back and forth.

Mr. Kenney: I would just prefer whatever is the convention here, Mr. Chair. I think a normal question-and-answer format would seem conventional to me.

The Chair: Okay. Please go ahead.

Mr. Kenney: Right. Thank you, Mr. Chairman, for your patience. As a newbie around here I'll have to learn the customs. Having asked and answered questions in the federal Parliament for 20 years, it's usually an iterative back and forth.

Thank you very much, Premier, to you and your officials for being here. Thank you for taking the time to appear. I must say that this is for me a unique sign of accountability of the executive, because in the federal Parliament the head of government never appears before a committee. So thank you, Madam Premier, for taking the time to answer questions here about the important work done in your office and Executive Council.

As I'm beginning to learn about the operations under your direct purview, Premier, I have some just general questions. First of all, as I understand it, in the Executive Council business plan it says that part of the function of the council is:

- Leading interactions and partnerships with other governments within Canada; and
- Planning and managing state, official and working visits,

et cetera. But I also understand that you have a separate minister responsible for intergovernmental affairs – is that not true? – Minister Bilous, I was told.

Ms Notley: Minister Bilous is responsible for Economic Development and Trade, so he engages in a lot of activity that is international facing and trade based. Sometimes he will be involved interjurisdictionally, even inside Canada, as it relates to trade, but for the overall intergovernmental function, I'm the minister of intergovernmental affairs.

Mr. Kenney: So you also serve in the capacity as minister of intergovernmental affairs.

Ms Notley: Indeed.

Mr. Kenney: Okay. Thank you for that clarification.

Performance measures. That's a pretty wonky thing to talk about, but I was interested. You talked about some new ones. I must confess that when I looked at the Executive Council business plan, it looked to me like most of the performance measures were your department being rated by other departments, which would be sort of like the Premier asking her ministers to rate her. I'm sure they're very positive about your performance. Do you think that this is an adequately objective measurement of the performance of your department?

Ms Notley: Well, let me just say, generally speaking, you know, not in all governments. Often ministers don't rate their bosses that well, and then things go very sideways.

Mr. Kenney: I'm sure that's not the case in my caucus yet.

Ms Notley: Frankly, I'm kind of happy that I probably could count on my ministers to say that I'm doing okay.

That being said, you know, it's an interesting question. We've wrestled with this, and this has been the subject of discussion in every round of estimates and certainly right when we took over. You know, you either do sort of random satisfaction surveys, or you try to find more independent ways to measure some level of effectiveness. It's difficult because it's not an outward-facing operation. We don't, as you know, converse with Albertans about how we are conversing with our ministers, so it's a bit of a trial and error.

What we will say is that I sent our officials on a task last year to do a scan interjurisdictionally of what this looks like. Actually, pretty much no other jurisdiction has performance measures like

this, certainly not forward ones or certainly not qualitative ones. As a result of that, we are endeavouring to find ways to sort of still ask people, you know, a little bit of the satisfaction stuff, although, again, we're trying to move away from that, and then look at sort of other slightly more objective measures: how often are we actually seeing ministry officials connecting with Executive Council to ensure that there's alignment?

Mr. Kenney: Effectively, you're acknowledging that the fairly subjective measures on pages 76 and 77 of your business plan could be improved upon – is that correct? – with more objective data.

Ms Notley: Yeah. We've acknowledged that all along, that they could be, and in fact we've added new ones now to supplement those. The reason we've kept the satisfaction in place is because it's the only one that would give us a historical perspective. But for the reasons you outlined, it's a bit of a tough – you know, there are reasons to suggest that it's not the most helpful indicator, but we're giving historical context while at the same time trying out new performance measures, frankly, having looked to the federal government and all other provincial jurisdictions and not finding better examples.

3:50

Mr. Kenney: Thank you very much.

Premier, I'm wondering. In looking at the estimates, unless I'm missing something, it appears that the office of the Premier and Executive Council votes are combined. Can you break down for me how much of these votes are allocated specifically to your office versus Executive Council?

Ms Notley: Yeah. I'll just get that information. The overall Premier's office is \$4,197,000. That's for my office. Did you want the other ones?

Mr. Kenney: Sure. I guess it would be about \$10.4 million or so?

Ms Notley: It's \$1.249 million for the deputy minister's office, \$528,000 for the deputy secretary to cabinet, \$730,000 for operations and machinery, \$1.208 million to protocol, \$259,000 for the Alberta Order of Excellence, PCO is \$3 million, and CCO is just over \$1 million.

Mr. Kenney: The PCO is . . .

Ms Notley: The policy co-ordination office.

Mr. Kenney: And that's \$3 million. Okay.

Am I correct in understanding that all of the staff in the Premier's office are political appointees and not members of the public service? Is that correct?

Ms Notley: In the Premier's office, yes.

Mr. Kenney: And how many staff do you have in your office?

Ms Notley: We have 30.

Mr. Kenney: Thirty staff. How does that compare in terms of historical precedent: up, down, flat?

Ms Notley: It is down 12 per cent from last year because last year the number showed – it was an inaccurate reporting. If you review the notes, you can figure out why because we discussed it at some length last year. So it was 34 last year. It's down to 30 now. In general, relative to other administrations, it is comparable. It's not higher. There are some that were lower, and I believe there was one

that was higher. Yeah, two Premiers ago or three Premiers ago, I guess, it was higher.

Mr. Kenney: There have been a lot of Premiers of late.

Ms Notley: There have been.

Mr. Kenney: Do you have the average salary level in your office?

Ms Notley: I don't think we have the average salary level, but as you know, a new thing that we brought in is that it is all posted online. So all of their salaries are available online.

Mr. Kenney: So all political staff, not just at the sunshine list level?

Ms Notley: Yeah.

Mr. Kenney: Okay. Thank you. That's commendable.
How many public servants are in Executive Council?

Ms Notley: There are 125 in total.

Mr. Kenney: Do you find that this is adequate support for your functions?

Ms Notley: Oh, I could use three times as many.

Mr. Kenney: I'm sure you could.

Ms Notley: No. I mean, as I said in my introduction, they have done very effective work supporting our government and supporting the work that we're doing.

Mr. Kenney: So this includes Alberta's agents general overseas?

Ms Notley: No. They, I think, are in EDT.

Mr. Kenney: They're in the trade office?

Ms Notley: Yeah.

Mr. Kenney: I see. But as Premier and minister of intergovernmental affairs presumably you liaise directly with the agents general?

Ms Notley: Depending on if I'm there or not, but, yes, absolutely.

Mr. Kenney: And we have offices for agents general in which cities?

Ms Notley: Well, we are now moving into a different area of estimates than mine.

Mr. Kenney: Sorry.

Ms Notley: I don't actually have that stuff at my fingertips. We can certainly ask that ministry to get that information back to you.

Mr. Kenney: Thank you.

The next question. Premier, given that the business plan indicates that you liaise with other orders of government to advance Alberta's strategic interests, that would include, I presume, the regulatory efforts with respect to pipelines, which you mentioned in your opening remarks. Your government came to office on May 25, 2015, and President Obama vetoed the application for presidential permit for the Keystone XL pipeline on November 6, 2015. I understand that you'd appointed Gitane De Silva as the agent general on October 23, so shortly before that decision was made or announced.

Ms Notley: I think that it was after.

Mr. Kenney: I'm told that she was appointed October 23, and the decision came down November 6.

Ms Notley: Oh. Okay.

Mr. Kenney: I stand to be corrected.

In any event, her predecessor, the Hon. Rob Merrifield, has said that he received direction from your government to, quote, down tools on promoting the Keystone XL pipeline with the Obama administration. Is that your recollection?

Ms Notley: Well, first of all, I would say that he doesn't answer to me. That is someone that would be appointed through a different ministry, so it's not really, I would suggest, the forum for that conversation. That being said, when the matter was publicly discussed as a very political issue and a politicized issue back in the day, we made it clear that that was not a correct recounting of the conversations that we had had with Mr. Merrifield. We would suggest, frankly, that the sort of subsequent politicization that we saw demonstrated was, arguably, you know, somewhat indicative of why we feel quite confident that Ms De Silva was better equipped to represent our issues.

Mr. Kenney: On May 2, 2015 – and that would be before you came to office – on the CBC radio program *The House*, when asked for your views on the Keystone XL pipeline, you said that, quote, we are against it. Is that an accurate description of your policy position on the Keystone XL pipeline at the time?

Ms Notley: What we said at the time and the argument that we were making at the time, when the price of oil was in a much different position and the level of investment was in a different position, was that our preference was to focus on a plan that would encourage more upgrading and more value-added here in Alberta. Since that time the overall state of play of energy economics has changed dramatically on a number of fronts, not just through the price but through supply, through different markets, through the effectiveness of various and sundry stimulative efforts that we could engage in to promote upgrading. All those things have shifted dramatically since the spring of 2015. We have since concluded very clearly that we need to increase pipeline capacity, and Keystone is part of that. That's why our government committed 50,000 barrels six to 12 months ago, whenever it was – I can't remember offhand – to ensure that we could support the successful completion of that pipeline. Again, I would say that this is a little bit out of the area that we would be talking about here because none of that is actually touched on in the forward-looking plans of the Executive Council budget.

Mr. Kenney: Well, Premier, with respect, you did mention pipelines in your opening statement and your government's general strategic plan. That's why I'm asking you about these issues. I take it from your answer that the answer is yes, that you were opposed as a matter of policy to the Keystone pipeline but that your policy has changed.

Ms Notley: No. What I said was that we had a preference for working on a pipeline that at the time seemed more aligned with encouraging the ability to upgrade and opening the opportunity for more markets that would accept upgraded products such that there was a market for more upgrading investment here in Alberta and, secondly, that we had a preference for getting a pipeline to Canadian tidewater.

Mr. Kenney: I take it that you didn't misspeak when in May 2015 you said: we're against it. The reason I'm asking the question is because I'm trying to understand whether in your capacity as minister of intergovernmental affairs and Minister of Executive Council and as head of government you made any effort to encourage the previous American administration to approve the Keystone XL pipeline in 2015. I'll just ask that question. Did you or your government make any effort . . .

4:00

The Chair: Sorry, Mr. Kenney. I know we're swaying a little bit out of scope. The focus is on the current business plan and the current estimates that are at the table at this current time. Traditionally we focus on the current plans.

Mr. Kenney: Traditionally you don't permit any questions about anything that's happened before today?

The Chair: There are some measurables that are applied within here, but right now we're focusing in on the current fiscal plan, the current business plan, and then also the current budget for the fiscal year.

Mr. Kenney: All right. Well, I thought one of the objectives of the Executive Council is advancing Alberta's priorities, and I'm trying to get an assessment of how the resources of Executive Council have been invested.

Ms Notley: It's a go-forward thing, as I say. You know, we've talked about what our government has done on Keystone since then, actually in the past, nonetheless, and the fact that we're moving forward on it. I'm certainly happy to talk about it going forward.

Mr. Kenney: Sure. I'm new to this place. All I can say is that at a parliamentary committee over 20 years if I refused to answer questions as a minister about things I had done, they'd laugh me out of the joint, but I guess this is different.

The Chair: To provide you just with some clarity, we have some mechanisms – and I'm going to try to speak as little as I can because this is your time, not mine. We have mechanisms for holding the government accountable through, like, the Public Accounts Committee, that can look at previous budget lines and other areas there as well.

I'll provide you with the opportunity to continue your questions.

Mr. Kenney: With respect to an issue that you've raised, then, Madam Premier, the Trans Mountain pipeline and your current efforts in that respect, let me ask you. We do have an opportunity to get into some greater detail here than in the 30-second exchanges in question period. You've introduced legislation, Bill 12, that would ostensibly give your government the authority to regulate the flow of oil to other provinces, presumably. We know we're focusing on British Columbia. We commend you for that. Under what conditions would you use that authority?

Ms Notley: Well, again, you know, I'm suggesting that I'm giving you pretty wide latitude. I'll just give you some background in terms of this kind of conversation because that's not really the forum here.

Mr. Nixon: Point of order, Mr. Chair.

Ms Notley: It's really to talk about the budget, and going forward . . .

The Chair: Sorry, Premier.
Yes, Mr. Nixon.

Mr. Nixon: Mr. Chair, page 76 of the Executive Council's business plan clearly says:

Executive Council's key responsibility is co-ordinating and implementing government's mandate and priorities. Executive Council offers advice and guidance on legislative issues to Cabinet and Cabinet Committees, along with support for the planning, administration and reporting of their decisions. Due to its co-ordination and policy role, Executive Council shares in the strategic risks identified by ministries. Executive Council collaborates with ministries to ensure that Cabinet decisions are implemented in a timely, thoughtful, and efficient manner.

That's the business plan that's before this committee right now, and I would suggest to you, Mr. Chair, that, pretty much, the Premier and Executive Council have responsibility and authority for almost everything in government based on that statement, and I think it would be fair if the Premier would answer the hon. member's questions.

The Chair: Yeah. One thing that we also do look for – and, obviously, this is a clear point, and I'll, as I said, try to be brief because it's your time, not mine. The Premier can ask clarifying questions about how it may relate towards the business plan. It is within the scope for someone to ask for clarification. From what I was interpreting, the Premier was asking within that realm of what scope that is. Clarifications even before the questions sometimes do provide benefit for the committee whenever we're looking at questions that are at hand.

I do take your point, Mr. Nixon, and thank you for bringing that forward.

Please proceed, Premier.

Ms Notley: I'm certainly happy to carry on. I will just say that, generally speaking, it has not been the practice for the Executive Council estimates to be a forum to talk about everything over which Executive Council has some authority. This might have been something that might have come into the Minister of Energy's estimates.

That being said, as I was getting ready to say before Mr. Nixon . . .

Can I say that?

Mr. Nixon: You can say that in committee.

Ms Notley: I can say that. It's been so long since I've been in committee. Sorry.

. . . raised his points.

As I've said before in the House – but you're quite right; it's harder to talk about in 35 seconds – there are a number of factors that will be considered as we go forward in terms of assessing when is the best time to exercise the range of authorities that exist under Bill 12. Obviously, as I've said before, a key issue, but not the only issue, that has to be considered is the state of play with respect to the likely outcomes with respect to Kinder Morgan and their May 31 deadline. It doesn't mean that May 31 is suddenly the day, but it does mean that the indications that we will get about what would happen on May 31 become a factor. [A timer sounded]

Can I carry on?

The Chair: Yeah, continue. It's just your first 20 minutes.

Ms Notley: Okay.

The other issue that we have to consider is sort of the state of investor concern, not so much just about the issue but the overall expectation around pipeline capacity and what that would do to long-term investment decisions that might be made at any given time as well as what's going on with respect to particular market

options. We have to retain the ability to act overall strategically in the best interests of Albertans and ultimately Canadians, hence the name of the act, and obviously the issue around what's going on in B.C. is a critical piece of it. But it's not directly a retaliatory measure. What it is is the government of Alberta asserting our ability to strategically ship our resources in a way that gets the best results for Albertans in terms of the price we are able to secure, both in the short term as well as the long term.

That being said, there are a number of different factors, and I can't – nor would I – think it would be terribly wise right now for me to enumerate them all in public for everyone to dine out on. By that I mean, you know, folks in B.C. and the opposition to the success of our industry.

Mr. Kenney: Thank you.

For the record, Mr. Chair, I think that qualified almost as a puffball question from me, allowing the Premier to have several minutes to expound on her policy.

Speaking of which, since, Premier, you raised the challenges that you are faced with with respect to Trans Mountain in your opening remarks and insofar as one of your ministry's goals is leading interactions in partnerships with other governments within Canada, I'd like to ask you about your relationship with the government of B.C. on this issue that you've raised, Trans Mountain. Yesterday in the Legislature, as I mentioned earlier in question period, Premier Horgan said that you will not be proceeding with the legislation. I think he meant not putting it into effect. Minister Eby, said, quotes, clearly Bill 12 is a bluff, that they, your government, does not intend to use it. Any idea why the Premier and the minister in Victoria would have come to these conclusions? Is there some muddled message, some lack of clarity?

Ms Notley: Not at all.

Mr. Kenney: Count this as another puffball, Premier.

Ms Notley: There you go.

I can only speculate, honestly, so I would only be speculating. What we know is that there is quite a bit of pressure that is coming to bear on decision-makers in B.C. as a result of the concerns that are being expressed by many people in the investment community as well as workers in various and sundry industries as well as consumers in the Lower Mainland. As a result, I would speculate that the government of B.C. is trying to do everything it can to reduce and diminish the level of anxiety that is being communicated to them by a number of different stakeholders within their own communities. That is my speculation.

But as I said in the House and as I was happy to say here, what I directly communicated to the Premier of B.C., both on the Sunday on the phone, when I spoke to him after Kinder made their announcement, as well as in Ottawa the following Sunday, was that we would absolutely be going ahead to be introducing this legislation and it would make its way through the Legislature. But it was designed to be used, and we felt quite confident that our fabulous public servants – the ones who worked on it aren't actually directly in the room although Marcia had a lot to do with it – put a lot of time and work into constructing a piece of legislation that hung on the appropriate section of the Constitution and very much was focused on those elements of our authority that would withstand at least preliminary and ultimately long-term legal scrutiny.

4:10

That's the information that we gave. I cannot speak to the exact reasons why they would say various things. I mean, what I've said

very publicly, as you know, is that should the security or the certainty that Trans Mountain investors require be met such that they then say, “Yup. We’ve reached the level of certainty and the investor risk is low enough. We are now powering ahead,” should that happen, so that investors can look forward to greater capacity within a certain period of time, then we may not need to use the legislation. But that’s a different issue.

Mr. Kenney: Thank you, Premier. Would you not agree with me that the threat of using this ultimate sanction is only helpful in advancing Alberta’s interests if the B.C. government believes that we might actually do so?

Ms Notley: I would suggest that they have every reason to believe that we might actually use it. I feel quite confident that they believe there is a very good possibility that we will use it.

Mr. Kenney: You’re suggesting that – how do I put this in a parliamentary way? – they’re not being completely truthful about their views on your intentions in this regard?

Ms Notley: I suspect that they are engaging in speculations about what we are doing and what we said and that they are bluffing. But, at the end of the day, I can tell you with great certainty that they heard very clearly from us that this was coming, and they heard very clearly from us that it was designed to be used.

Mr. Kenney: Thank you.

Premier, again, given that one of the strategic goals of your department, Executive Council, is leading interactions with other governments within Canada, I’d like to ask you about your intention to lead interactions with the government of Canada with respect to Bill C-69, currently before the House of Commons which, as you know, seeks to create a new regulatory regime for prospective pipeline applications. As you know, the Canadian Energy Pipeline Association has said that effectively this will prevent any future pipelines from being approved in the future, yet I don’t think I’ve heard you, Premier, or your ministers speak in opposition to the bill or call on the federal government to withdraw it. Could you please tell us: why haven’t you done so? Is it your intention to defend Alberta’s core industry in opposing the federal Bill C-69?

Ms Notley: I’m not sure how this would have been missed. We’ve been very engaged on this. We are very aware of the threats that this initiative unamended could pose to our industry. Both the Minister of Energy and the minister of the environment have been very involved in it. They as early as last August submitted I think it was something like a 30-page document to the federal government outlining in general the areas of concerns that we have.

Now, I’m not going to go through that in great detail. What I do know is that the conversation has moved on to some extent from that original correspondence. We’ve seen some preliminary accommodations of our concerns reflected in the more recent proposals that are coming forward from the federal government, but we are not at the place where we agree with everything that they are saying and suggesting, and we’ve made that very clear. For instance, you know, they added reference to timelines, but then of course the issue of when the timelines are triggered remains uncertain. We are very definitively saying to them that this is what continues to be wrong.

One of the key things about this legislation, though, that I think is important to know, which I think you would probably find interesting, is that the elements of our climate leadership plan that are in place, which are the product of extensive on-the-ground, rigorous engagement with industry, are going to in essence

backstop a broad range of elements of that bill. Many elements of the industry will find themselves unconcerned about parts of the bill because, in fact, the federal government will essentially, or what we are arguing they should do – and we are getting some indication that they are considering it – defer to the work that has already been done with industry very successfully through the many different elements of the climate leadership plan. That being said, there is a very, very deep and engaged conversation between our government and the federal government on this, and we will work until we get to the point where our industry is protected. If we get to the point where it is not protected, then we will take a much more aggressive approach. But, to be clear – and this goes to the point you raised . . .

Mr. Kenney: Premier, could I . . .

Ms Notley: Just a final thing. Our view is not that we simply say: all environmental protection is bad, and therefore we object to everything, and we refuse to have a conversation about doing better on the environment. We don’t think that that helps the reputation of our energy industry, and we don’t, frankly, think that it helps Canadians.

Mr. Kenney: Chair, I hope you’ll forgive me if I found that answer a little opaque. I asked if the government is opposed to the bill, and I’m no clearer on the answer to that question.

The Premier has talked about how her government is engaging Ottawa on this, but this bill is the product of two years of consultations, an advisory panel that engaged in over a year of consultations and then consultations led by Natural Resources Canada and Environment Canada. Just a very simple question. You’ve been an opposition leader. You understand that we need to get our fair share of questions in here and not just have the entire segment taken up by answers, so I’ll ask a fairly direct question. Did your government engage in those consultations leading up to the introduction of Bill C-69?

Ms Notley: As I said, there’s a public letter out there, with an attachment that’s about 30 pages long, with our preliminary engagements. We’ve been engaging ever since, and we’re still engaging.

Mr. Kenney: That was prior . . .

Ms Notley: We have not said that we’re in favour of it. It’s still under consideration, and it likely will be for some time to come.

Mr. Kenney: Here’s my concern. Your government did express its concerns about the regulation of pipelines, presumably, to the federal advisory panel and then, presumably, to the federal ministers of energy and the environment prior to the introduction of Bill C-69. But we ended up with a bill that is now moving through Parliament which, according to the industry, will make a future pipeline impossible, and you’re still engaged in consultations. When are you going to as a government, as a Premier fish or cut bait on this and indicate whether you’re supportive or opposed to Bill C-69?

Ms Notley: Well, we’re still focused, actually, on getting solutions rather than positioning for outward-facing conversations like politicking. We actually think that we can improve this. That’s what we think we’ve been elected to do, and that’s what we are doing. I would suggest, certainly, that your environment critic spend more time and talk with – I’m not sure how much time this took within the ministry of environment’s estimates, but she’s able to engage at some length to talk about the many improvements that we have

secured for industry already and the ones that we continue to work for with industry. Yes. That is what I will say. If at the end of the day we don't get what we need to be able to support it, we will oppose it then, but right now we're getting a lot of changes. We think that that's the way to engage because it's outcomes that matter at this point in the game.

Mr. Kenney: Mr. Chair, I'd like to ask the Premier: in terms of this engagement on the very consequential federal Bill C-69, does the Premier agree with the president and CEO of the Canadian Energy Pipeline Association's characterization of the bill, in which he said, quote, that in fact it is difficult to imagine that a new major pipeline could be built in Canada under the Impact Assessment Act? I'm asking the Premier: does she agree with that characterization of the bill?

Ms Notley: Well, interestingly, based on our understanding of the way that act is going to apply, any pipeline shipping anything from Alberta probably could be because at the end of the day the work that's happened in Alberta under our CLP would render a good portion of the review under that act unnecessary.

Mr. Kenney: Do you agree or disagree with that characterization? I'm sorry.

Ms Notley: Well, I'm just trying to say that it depends on where the pipeline is coming from, okay? What I'm saying is that I think that as a result of our work on the CLP, a pipeline originating from Alberta will have a much better chance than one originating from somewhere else.

4:20

That being said, I think there is still a high level of uncertainty, and I do agree with the CEO around some of the criteria that are still proposed in that legislation. I absolutely believe that those have to be fixed because there's too much uncertainty in the way it's drafted now. Part of it: there's absolutely a real issue there, and we are fully onside with trying to reduce that uncertainty. We'll see where the federal government lands. But he's right: there's still some uncertainty that's not acceptable.

Mr. Kenney: Mr. Chair, in terms of the Premier's interaction with the federal government on Bill C-69 will the Premier ask the federal government to respect provincial jurisdiction with respect to the regulation of upstream emissions in the production of oil and gas, or does she believe that, in fact, this is an area of shared jurisdiction and that the federal government has every constitutional right to regulate upstream oil and gas production?

Ms Notley: What we believe is that there is no need for them to engage in any conversation about upstream oil and gas emissions because it's already addressed in the climate leadership plan, and it's very clear that that is something that would mean that they would not bother. It's a very, very complicated level of constitutional law. I want to be careful to not state a position so strongly here that suddenly we give air to folks on the other side of the mountains taking our position and using it in a different way. Suffice to say that I think that there's no need for the federal government to be concerned one whit about upstream emissions in Alberta because we have a fulsome plan here in place.

Mr. Kenney: Well, I'm glad to hear that, Chair.

If you'll allow me in my preface to refer to the National Energy Board's regulatory clarification on August 23 of last year, in which they announced that they were going to get into assessing the Energy East application based on upstream emissions, I was

surprised, Premier, that you later said that the outcome with respect to Energy East – I'm quoting you – had nothing to do with the NEB decision even though TransCanada said on September 7 that they were suspending their application "due to the significant changes to the regulatory process introduced by the NEB." I'm glad to hear – just to clarify, you then agree that the federal government is overreaching by getting into the prospective regulation of upstream emissions of oil and gas and that this is a matter of provincial jurisdiction under the Constitution Act?

Ms Notley: Well, first of all, let me just clarify that the draft changes proposed by the NEB as well as the subsequent changes proposed under the legislation always very clearly exempted projects that weren't in play already, which included Energy East. I think it's really important to put that on the record, that Energy East was never meant to be covered – and it was very clear that it was never meant to be covered – by the proposed policy changes that the NEB voted or the stuff that's going on under the current federal bill.

That being said, again, as I say, the constitutional law around the jurisdiction, the management of environmental issues is not entirely clear in terms of environmental issues that cross borders and all that kind of stuff. We know that the law is not black and white on it. What we know, though, is that in Alberta, by having taken the action that we have with the climate leadership plan, we have developed a comprehensive set of rules around regulating emissions, a set of rules that we were able to develop in consultation with industry. They were able to come to their local government on the ground, work with us with high levels of access because we're their government. It's our province, it's our resource, and we have shared interests. Through that process we were able to come up with a plan that I think shields our industry from much intervention from the federal government.

That's one of the reasons why we constantly say, you know, that if you eliminated the climate leadership plan, you would in effect be deferring to the federal government because the federal government would have an argument to come in and do it in the absence of provincial action. Where the courts would land on that, I think we all know, is unclear, and if nothing else, we've learned that the courts being unclear is itself a recipe for delay and stuff we want to try and avoid. So we've actually moved into a space, provided clarity, provided a great forum for industry to engage, and managed to move the ball forward.

Mr. Kenney: Thank you, Premier.

I'm a bit perplexed by your assertion just now that the National Energy Board did not intend to apply an upstream emission lens on the Energy East application. On August 23 of last year the NEB issued its statement. It was a letter, actually, to TransCanada about the Energy East project in which they said:

Given increasing public interest in [greenhouse gas] emissions, together with increasing governmental actions and commitments (including the federal government's stated interest in assessing upstream GHG emissions associated with major pipelines), the Board is of the view that it should also consider indirect GHG emissions in its NEB Act public interest determination for each of the Projects.

That was a letter to TransCanada about Energy East. Would the Premier like to reconsider her earlier statement asserting that this expansion of jurisdiction by the federal regulatory body into provincial regulatory authority did not affect the Energy East application?

Ms Notley: What I will suggest to you is that I will commit to getting back to you with a similar level of documentation. But what

I've been advised is that the NEB made it very clear that projects in process, already in process, would not be subject to the changes that they are proposing. They may well have been writing to them to say, "What would you think about it?" for the purposes of getting consultation, but our advice is that they were assured that those forward-looking policies, that were simply being put out for discussion, were not intended to apply to projects that were already in the queue and already in process.

Mr. Kenney: Right. Just to clarify, Mr. Chairman, I was referring here to the statement by the NEB about Energy East to the project proponent, which resulted in the September 7, 2017, suspension. I respectfully submit, Madam Premier, that you may not have received accurate information about this, and I'd ask you to look at.

Ms Notley: What I'm suggesting is that I will certainly commit to getting the documents which support the assertion that I made.

Mr. Kenney: I appreciate that. I'd be interested to see that.

Mr. Chairman, the Premier in her opening remarks mentioned, again, Trans Mountain, and the business plan speaks to interaction with other governments. One way in which the Premier interacted with the government of British Columbia was a wine boycott, which lasted a couple of weeks, I think. I understand, by the way, that it led to a run on B.C. wine at Alberta liquor stores, and our liquor retailers were very happy to get more product sold before it was lifted. Premier, could you tell us: why did you lift that, and are you considering reimposing it?

Ms Notley: When we lifted it, we said that it was suspended. We didn't say that it was over. It remains in the position of suspension along with a number of other tools that we also are keeping in reserve should we need to use them.

I was very clear. My view of things is that when you talk to people, you should be as clear as you can, and then you should follow up in a way as clearly as you can. What I said to the Premier at the time was that as far as we're concerned, the document that you came out with – this was in January – is within your jurisdiction, but point 5 is not, so you have to pull point 5. As long as you are out there asserting that you have a right to engage in point 5, you are essentially asserting that you are thwarting the Constitution, and you're creating uncertainty. So they pulled point 5. Now, they did say that they were going to refer point 5 to the courts to have the courts tell them whether point 5 was something they could do.

Quite honestly, I will do the dance of joy if they do that. It is bound to lose because it was a ridiculous assertion in the first place, and they have no right to do what they suggested they did. If ultimately that becomes what they're talking about in their reference, well, that's even better. But that is why we pulled it, because it was point 5 that we were deeply concerned about.

Now, as it turned out, it probably wasn't a bad thing because it raised the volume overall, and I think it raised the volume not only between Alberta and B.C. but also in central Canada, in Ontario. We had investors, generally speaking, start to see the problem that was arising.

4:30

Mr. Kenney: Thank you.

Premier, the reason I'm having a hard time understanding this, your celebratory approach to the situation on Trans Mountain with the government of British Columbia, is that 10 days ago the project was suspended by Kinder Morgan, leading to what many have characterized as a constitutional and potential economic crisis in Canada. I don't understand how you could draw, from these recent

actions of the B.C. government, grounds for optimism. Just today they've announced they're moving forward with that court reference, which you yourself quite rightly have described as a delay tactic, that creates further uncertainty. So help me understand this. Why would you have suspended such a modest, really symbolic measure as the wine boycott while talking tough about turning off the taps? Don't you think this may be sending mixed messages to the Victoria government, which may have resulted in their saying that this is all just a bluff? Like, we don't seem to be moving in a straight line here strategically.

Ms Notley: No, I don't think that that's true at all. I actually think that it's moving faster than we would have thought. As I said before, we made it very clear that they needed to pull point 5. That is what they did. That being said, we also engaged a number of other tactics, and we actually think that they have been working on a number of different fronts. You know, you don't use your biggest weapon at the very beginning of a skirmish.

Mr. Kenney: Agreed.

Ms Notley: You have to think strategically.

Mr. Kenney: Agreed.

Ms Notley: As you can imagine, we have been engaged in conversations with a variety of stakeholders that give us, probably, a better line of sight to what the ultimate path to success is. That is completely unpublic right now, and that's just the way these things are going to be sometimes. Suffice it to say that I think that we are in a position now where we are very close to being able to establish the certainty that is necessary and to flesh out exactly what the level of resistance is and what the level of commitment to ensuring that that resistance is overcome is by all parties. Generally speaking, I think it's looking better and clearer than it was.

Mr. Kenney: Premier, you actually think the situation looks better now, following the Kinder Morgan suspension of the project, than before the suspension?

Ms Notley: The fact that Kinder Morgan was going to have to make a serious investment decision, that there was a lot of uncertainty around there, was known to everyone who's been seized of this file. You know, it's pretty intense right now – sure; that's absolutely true – and it was probably clear that at some point it was going to get that way. Now we are going to make sure that we get the project done. There are different times when you have to use different strategies. We think that, at the end of the day, everyone understands Alberta's resolve, and we have got more and more people working with us from a broad range of stakeholders across the country, and we think that it will happen.

Mr. Kenney: Well, I certainly hope you're right, Premier, but I must admit that I think most of us looking at this feel that we moved backward, with the suspension of the project by the proponent.

But I certainly, in closing, Mr. Chairman, would wish the Premier well in this effort. While we have our differences, obviously, fundamentally we support any Alberta government and any Alberta Premier who's seeking to advance our vital economic interests and would be happy to see the Premier succeed in this respect.

Mr. Chairman, I'll yield the balance of our time.

The Chair: We'll now move on to the third party.

Mr. Clark from the Alberta Party caucus, would you like to share your time with the Premier?

Mr. Clark: I certainly would if that's all right with you, Madam Premier.

The Chair: Please proceed.

Mr. Clark: Thank you, Mr. Chair. Madam Premier, thank you for being here. Thanks to your DMs and staff for being here. I also just want to take a moment to just thank you for the work you do. I know it's a thankless task at times, sometimes worse than thankless, and I certainly don't always agree with every position you take, but I do just want you to know that I appreciate your service to Albertans and to your team as well.

Having said that, I have some questions about your business plan in particular. On page 75 of the Executive Council business plan the second last paragraph says:

The British Columbia government's decision to back down on its threat to what can flow through a federally-regulated pipeline in response to Alberta Government action is a small victory in the larger effort to see TMX through to completion.

Do you feel that maybe you were a bit premature in taking a victory lap on Kinder Morgan given recent events?

Ms Notley: Well, as I've said already, we made it clear that we would pull the wine ban if they pulled point 5 and pulled the ability to assert what otherwise, we would argue, are completely illegal and unconstitutional tools. That is what they did. At the end of the day, though, it's obvious that the sort of cat-and-mouse game that they were playing by sort of throwing up potential other unknown legal challenges got too much for Kinder Morgan. That's why we've said that it has to stop. That is why we are pushing very, very hard, and I, as I said, will not stop doing it until we get it built.

Mr. Clark: When did you first know? I mean, did this come as a complete surprise to you, when Kinder Morgan pulled the project? Had they been in touch with you ahead of time? Did you receive the news at the same time everyone else did, or had you been in touch with them?

Ms Notley: We knew a little bit before but not much, just a matter of a day or two.

Mr. Clark: Yeah. One of my critiques has been the negotiating in public, so I certainly won't ask you to do that. I'm just curious if conversations you had with them were of a financial nature previous to the public announcement on their part.

Ms Notley: You know what? That is where we're not going to be negotiating in public. We had started having conversations with them on a number of different fronts. Then their board in Texas took a look at the matter, as you know, and came to some decisions, and then for the purposes of meeting their legal obligations and reporting in the markets and all that kind of stuff, they went ahead when they did.

Mr. Clark: Okay. One of the consequences of the British Columbia government's intransigence on this has been Bill 12. As I said in the House earlier today, it is unfortunate that it's come to this, but here we are. I would like to hear from you, though. I know that industry is broadly supportive of the approach that you've taken on this, and I am also broadly supportive of taking this action. Again, it's very unfortunate that we have gotten to this place.

One of the concerns I have is just how broad the bill is. I recognize that we're going to have an opportunity to debate it in the House, and I certainly look forward to doing that. One of the things that I would encourage – and I will in fact be bringing an amendment to this end – is a sunset clause in the bill, because I

think one of the concerns that I certainly have and that, I imagine, industry does as well is that these are broad and sweeping powers, that should be used in a response to a very specific set of circumstances. This is not the sort of power that a government ought to have in perpetuity. Would you be willing to entertain building some form of sunset clause into this bill . . .

The Chair: Sorry to cut you off, Mr. Clark. I was just wondering: within the estimates and the business plan, what are we tying into? I'm just trying to follow along.

Mr. Clark: Sure. I would come back to the key responsibility of co-ordinating and implementing the government's mandate and priorities as well as very specific references to the Trans Mountain expansion pipeline within the business plan.

The Chair: Okay. Thank you.

Mr. Clark: Thank you.

You know, when we're looking at legislation such as this, which, again, has such broad and sweeping powers, is that something that you would envision government having in perpetuity, or would you entertain a sunset clause in this bill?

Ms Notley: Well, you know, I think it's an interesting question, certainly, one that we turned our mind to at different times because of the broad level of authority that it gives. But it also needs to be understood in terms of the overall stated purposes of the bill, which are to maximize potential return for Albertans. That being said and understanding that there are a number of different factors which contribute to our ability to maximize the potential return, there may well be some value to having the matter reviewed, on an annual basis or a biannual basis or something like that, as to whether that's still required given the nature of the industry. But it needs to be done on a broad-based level that looks at all the factors that contribute to our ability to maximize our returns.

4:40

Mr. Clark: Thank you very much.

One of the questions that has come up from my discussions with those in industry is, should this bill be required to be used, whether you would consider some form of compensation for economic loss.

Ms Notley: Well, you know, what we have indicated to industry, again, not negotiating in public or any of those kinds of things, is that we've committed that they will not be taken by surprise and that we will work very closely with industry as a whole and that should it get to a point where a specific part of industry would be affected, we would be working very, very closely with them and engage in very active consultation with them at that time.

Mr. Clark: Okay. I understand that Alberta and British Columbia have some co-located international offices and consular missions. The path I want to go down here is: in your capacity as minister of intergovernmental affairs as well, have you considered the potential knock-on effect of this dispute on other aspects of the Alberta-B.C. relationship in terms of co-location; consular offices, in that specific example?

Ms Notley: I will say that we have not really turned our mind to the co-location of consular offices. That, of course, is again a matter that the Minister of EDT would be more seized with. Generally speaking, of course, I mean, our task force – we have a task force. We also have an internal group that is very seized with market access, and we look at a range of things; hence, the wine issue, which, you know, many people were concerned was not directly

related to oil and gas. So we've done a fairly wide-ranging assessment of shared interests.

Mr. Clark: Okay. To that end, again in your capacity as minister of intergovernmental affairs – I have the inventory here, the 2016-17 inventory of international and intergovernmental agreements. It is riveting reading, the dozen or so pages of it.

Ms Notley: I'm sure it is.

Mr. Clark: But I did spend some time here counting up the ones that are primarily or exclusively Alberta-B.C. relationships. I'll ask first, really, a similar question: are you concerned that this dispute will have an impact on any of these agreements? Are there any specific agreements that we have with British Columbia that you're more concerned about than others in terms of tainting the relationship?

Ms Notley: You know, I think that, generally speaking – again, without sort of showing our hand to B.C.; I'm sure somebody in B.C. has been tasked with having somebody watch this conversation – we know that our province is highly integrated with B.C. In some regards, when you see today, for instance, business leaders from B.C. talking about how a bump in the price of oil or the price of gasoline in B.C. would negatively affect Albertans even though we know it would do that to a much lesser extent, it actually enhances the argument that our government has been making for 18 to 24 months at least now, which is that when the price of oil drops so precipitously in Alberta, we probably saw somewhere up to 40,000 British Columbians lose the ability to pay their taxes in B.C. because of the integrated nature of the two economies.

There are a multiplicity of ways in which the economies are linked, which is why this sort of siloed approach to analyzing this pipeline coming into the Lower Mainland and through the port of Vancouver has been so frustrating to so many Albertans. There's not an Albertan that you can run into who doesn't, with great frustration, talk about, "Yeah, with my this and that in B.C., I do this and I do that, and why don't they get that they need our gas and our oil and our business and our investment?" There is a high level of frustration.

In answer to your question, we're aware that there are multiple areas that are in jeopardy, but we also think that they were already in jeopardy by virtue of the position of the B.C. government on the pipeline, so we need to break that intransigence in order to open the floodgates of renewed reciprocal, win-win situations between our two provinces.

Mr. Clark: I'm just going to go a little off script from what I was going to ask next. What I'm really curious about is that you've got me thinking about this sense that we can't believe we find ourselves in this position. You know, how is it that we've had 150 years and six months of Confederation yet here we are? How is this possible?

Maybe I'll ask a general question. If the minister of economic development or Alberta Innovates comes up with a time machine and you could go back a couple of years and do something different, what would you do differently, knowing what you know right now about this particular situation?

Ms Notley: Well, you know, I think that the bottom line is that there has been a lot of polarization around environmental issues and pipelines because of a longer term failure to understand that progress on environmental sustainability, on environmental standards, on environmental health is not an either/or situation with jobs and economic growth and that, in fact, the two must, must, must be put together if we're going to succeed. That's what our

government has strived to do ever since we've been elected, to redefine the debate and redefine the narrative so that it's not an either/or thing but is a one must go with the other thing. I think that the polarization which had developed in the past was not helpful, so we are dealing with the leftovers of that.

I will say, though, that I have found that in our conversations with a number of people in B.C. – and, yes, the Premier of B.C. is not one of them, but there are a lot of other folks in B.C. who otherwise would characterize themselves as progressive, moderate environmentalists – they are growing more and more supportive of where we are going. You see that today, you know, the poll that was released in B.C. today. You see that the sort of practical support for this pipeline is growing because, of course, the evidence and the facts combined with the work that the industry in Alberta has done so steadfastly over the course of the last two years to meet and exceed the standards of many people concerned about environmental sustainability are winning the day with the moderate majority. So I think we just have to keep doing it. It's just that, you know, we have to build some bridges over some chasms that have developed in the past.

The Chair: Before your next question, Mr. Clark, I want to commend you on your creativity for the time machine, but we do have to stay focused on the business plans and the budget at hand here.

Mr. Clark: There is no time machine. You don't know that I'm already in the future.

All right. I will come back and get back on task in what I was going to ask. You know, we talked about whether you felt there was any risk in those seven trade agreements or intergovernmental agreements. I guess I'd flip that around and ask perhaps the other side of the question and say: have you looked at those agreements or any other areas for opportunities for other areas of potential leverage against British Columbia?

We've obviously done the wine ban, and that arguably had some effect. It certainly captured the attention of both Albertans and British Columbians. It's something that I can tell you I'm passionate about. It tends to hit you at home. But there are some things here that perhaps even have a more material effect on British Columbia, which potentially offer an opportunity to apply some pressure to ensure that they actually adhere to the Constitution and the rule of law and don't do further damage to Alberta's and Canada's reputation as a place to invest. Have you given some thought to where else we may be able to apply some leverage?

Ms Notley: We have absolutely done so. We have quite a long list of other things that we are looking at. We, of course, have the Market Access Task Force, that has been at work. It actually started working last summer, and then we added additional members, you know, external to government after the stuff that we saw out of B.C. in January. But we have been looking at that, and we have quite a long list, and we'll sort of deploy them strategically as things go. I mean, as I've said in the past, what we really want to do is try to find the right balance between getting everybody's attention, and in some cases not just getting B.C.'s attention but Ottawa's, too, and at the same time doing it in a way that secures the least amount of negative blowback to Albertans in terms of their security and prosperity and all those kinds of things.

4:50

There are definitely lots of things that we could do, and, you know, yeah, we'll hurt this industry, but we'll hurt ours more, so those formulations end up being things that we try to stay away

from. That being said, there are a few others, but again I'm not going to put them in the window today necessarily.

Mr. Clark: Okay. Fair enough. Thank you.

I'm going to change tack here and go back to the business plan, some of the performance measures that we've talked about previously. I do find it quite remarkable that in performance measure 1(a) there would be 21 per cent of ministries that would report to Executive Council that they're unhappy, but I recognize that that's one that you're moving on from.

In 1(b) I just did some really quick back-of-the-napkin arithmetic, and if there were 7,425 visits over the seven months from October '16 to March '17, that's roughly 1,060 visits a month, but if we take the 10,000-visit target in '18-19, that's only 833 visits a month to this website. You're talking about the internal tools and supports available to them and making use of these tools, and I understand that's a measure of traffic to an internal website that you've set up. I guess I just wanted to ask if – you know, these measures are always kind of an interesting thing as to whether they're all that meaningful. I just wanted to flag that and see if you could explain why it is that on a monthly basis it looks like the actual use of those tools would be going down based on these measures.

Ms Notley: Well, I think that the best answer to that, having not dug fully into how we came up with those numbers, is probably that, you know, it's a new measure, so we're going to track it, and we will see how we're dealing with it and what the numbers are on a monthly basis over the year. Of course, we anticipate it will fluctuate over the year. It will go up at certain times. You know, it'll peak like crazy in February, for instance, and then other places it will go down. But I think what we're going to do is that we're going to measure it, track it, and then at that point we can certainly look at whether our targets need to be improved.

Mr. Clark: Okay. Thank you.

Again, just coming back to one of the key responsibilities, that being co-ordinating and implementing government's mandate and priorities, one of the things that I've observed in the now almost three years that I've been on this side of the table as it relates to government is the silos. You've got a department whose job it is to do the work of that department, and you've got another department and they do their job, but very often there are touchpoints. I think of mental health in schools, for example.

I've seen many examples where it's sort of this: well, that's their thing, and this is our thing. Is there any effort to change the culture of government, to move from a focus on the needs of the institution of government to the needs of the individuals that government is serving and focusing on those of us, on both the legislative and executive sides, managing all that complexity and ensuring that people get the outcomes they need? They don't really need to know where it comes from, which department funds it, or how it happens. Is that something that you have placed an emphasis on, and if not, would you?

Ms Notley: My understanding is that part of the performance measures that deputy ministers are asked to adhere to is that the work that they do involves an evaluation of how their work impacts the needs, the outcomes, and the objectives of other ministries. They are asked to do that in every case, and they themselves are measured against the degree to which they can move away from that siloed approach. I know that the deputies meet very regularly to . . .

The Chair: I hesitate to interrupt, but we will move on to the government caucus. Mr. Coolahan, would you like to share your time with the Premier?

Mr. Coolahan: I would, Chair – thank you – if that's okay with the Premier. Fantastic.

Thank you for being here this afternoon, Premier. It's great to have you here. I will try to keep us firmly planted in the present although the answers might take you into the future, I guess, but I will not drag you back. We'll stick to the purpose here, I think, which is talking about the budget estimates for Executive Council.

Right on the first page, 149, the overall estimates show that Executive Council has decreased. Can you elaborate on how this overall reduction has been achieved?

Ms Notley: Yeah. Thank you. I appreciate that. I can. As I said in my opening comments, the budget has been reduced by \$149,000, which seems small, but if you take into account the fact that Executive Council does actually have the smallest budget by a long shot in the government, it doesn't really leave as much room for savings as one would expect. Nonetheless, we did work very hard to actually bring about this 1 per cent decrease, and we did it without requiring any layoffs, which, as you know, is also an important thing for us.

Some of the ways that we got to those decreases were that we focused on reducing travel, reducing travel costs. You may or may not be aware that we're not using business class as a standard means of travel anymore. We've saved money in the protocol office and also reduced contract services and supplies. Those are some of the things that we have done. Also, there was a change to the contribution rates for both employers and employees in the public service pension plan, so that gave us some savings. There are also some minor changes with respect to land lines, to Internet protocols. I'm trying to think of what's worth talking about here.

So we did that. We made these reductions, and at the same time we were offsetting inflationary increases. We certainly did have inflationary increases, that even in a budget as small as ours you can't avoid because you do have contracted service providers who will go up. But we managed to offset those and achieve ultimately the \$149,000 decrease.

Mr. Coolahan: Great. Thank you.

I'd like to actually talk about the Premier's office budget. Now, maybe if you could explain sort of some of the line items and what actually those dollars in the Premier's office go towards.

Ms Notley: Sure. As you know, we provide sort of leadership, strategic advice, stakeholder relations, scheduling services – anyone who's ever tried to get a meeting with me knows that that's a Herculean task – and other engagement directly with the public service as issues arise.

As I think I'd outlined in a previous discussion, the total budget for my office is \$4,197,000. The budget can be broken down to 30 positions in staff salaries, which amount to \$3,735,000; about \$230,000 for travel for me and my staff who travel with me; \$152,000 in other sorts of supplies and services like telephones and hosting and office supplies, things like that. Yeah, that's about where it lands.

Mr. Coolahan: Great. Thank you.

You clarified earlier that you do head intergovernmental relations. I was hoping you could go into more detail on how intergovernmental relations supports government objectives and how you fulfill this portion of your responsibility.

Ms Notley: Well, you know, there are a number of different things that we focus on. Again, it's mostly interprovincial relationships. One of the key forums within which you see those interprovincial relationships working is through the Council of the Federation, which I'm chairing this year. We hosted the Council of the Federation in Edmonton in July. I was pleased that we actually managed to host one of the most prudently costed councils. It's quite a change from the last time Alberta hosted the Council of the Federation, where there is still mythology around the council and the number of perks that everyone got to enjoy back then. But it was not to be this time.

5:00

That being said, we did make great progress in discussing things at that meeting in Edmonton in July. We were able to get through a lot of things. I had great support from our staff in terms of working with officials before we met to, you know, delineate the agenda, have an understanding of where there was disagreement, look in advance to refine the issue so that we could effectively get right to whatever the issues were that were in disagreement, find consensus, and then talk about that publicly and move forward.

We had good conversations then, mostly about how to deal with NAFTA and also to talk about the challenges we had with respect to cannabis and the incoming cannabis legislation. You may recall that at that time the federal government was suggesting that there would be a 50-50 split on revenue for cannabis legislation. We took a very hard stance that that was quite ridiculous, and we went out pretty significantly on that, and ultimately the federal government came back to us with a counterproposal that we would get 75 per cent of the revenue and they would take 25 per cent. Now, between you and I, I'm still not sure that they've actually justified what they need the 25 per cent for, but that will be a matter that will come back to the council as we see how these costs unfold.

Those were sort of the two biggest issues that we were talking about at the council, and as I say, I think it was quite successful at getting a high level of consensus without a lot of drama, which is sort of the kind of thing we want to see when the council comes together.

Mr. Coolahan: Excellent.

Is there anything else you want to tell us about what's been moving on intergovernmental relations? I mean, obviously, pipelines have been taking up the bulk of that, and rightfully so, but you mentioned cannabis and NAFTA.

Ms Notley: I'm sorry. Was there what?

Mr. Coolahan: Anything else beyond NAFTA, cannabis, and, of course, pipelines that's been your role in intergovernmental relations?

Ms Notley: Well, you know, some of the other things that we did talk about: we talked a lot about infrastructure, we talked about jobs and skills training, we talked about criminal justice reform, and we talked about opioids. Some of the other things that we pushed: there were conversations about pharmacy, a pharmacare program, some of those kinds of issues. There were good conversations about those other issues, but I felt that those ones were the ones that ended up taking most of the time, so we were able to, as I say, get progress on both of them.

Mr. Coolahan: Excellent. Thank you.

To change gears a bit here, under the ministry overview we notice that the communications activities have been taken out of that. Can you explain why this change occurred?

Ms Notley: Okay. Sure. Yeah, what we did into the year was that we decided to reorganize the Public Affairs Bureau, in part to sort of improve the services, communication services, that the government of Alberta both received and provided to Albertans and at the same time to find some savings. One of the things, going back to the previous member's comments about siloing, is that the problem with having comms folks siloed in different ministries was that it made it more difficult to sort of facilitate surge capacity. So if a ministry had a sudden massive need to increase communications with Albertans, they were going off and contracting additional communications support, you know, that kind of thing, rather than pulling from other departments, because, of course, the departments were siloed, and the original answer was: "No. We can't change their work plan at this point." The idea was to simply pull them together so that there was a built-in form of surge capacity and to ultimately reduce the costs. That's the objective. We're hopeful that it will work that way. Then, of course, it was determined to put that into the Ministry of Treasury Board and Finance.

Mr. Coolahan: Excellent. Thank you, Premier.

Chair, I'm going to share my time with my colleague MLA Connolly.

Connolly: Great. Well, thank you very much, Premier. I just want to start by asking about international travel. I know that you touched on this a little bit before. Can you detail the international travel you've done over the past year and what value was realized as a result?

Ms Notley: Thank you. Well, yes. We had done what seemed like a fair amount at the time. I've been to Washington, we've been to Texas, and there was a mission as well that saw travel to both China and Japan.

The trips to the U.S. were to reinforce to officials and business leaders how valuable Alberta is as a partner and to promote investment opportunities in Alberta. In Texas I was specifically promoting Alberta's oil and gas sector and our climate leadership plan. During the mission I talked to a number of energy executives and policy-makers about investment opportunities in Alberta's oil and gas sector. Of course, in Washington, as part of an overall Canada strategy, I met with a number of people to remind them about the beneficial trade relationships that existed between our jurisdictions and to build support for a more tempered or measured approach by the U.S. administration as a whole to the matter of NAFTA.

During the mission to China and Japan I travelled with Minister Bilous, and on the trip both Minister Bilous and I worked with stakeholders on maintaining and enhancing trade relationships in these markets. So that was really important. We were able to sign a number of agreements when we were there, you know, sort of the beginning of building more relationships with different provinces of China, building on economic relationships that already exist, promoting greater engagement at an R and D level, that kind of thing, all built towards just creating a higher level of familiarity with Alberta there for investment purposes.

I guess the total travel expenses for all of us during the – oh, right. Generally speaking, in terms of missions it shows that even as we've been doing a lot of work and signing a lot of agreements, since 2013-14 to the 2016-17 fiscal year you will see that travel costs have dropped by 57 per cent.

Connolly: Great. Well, thank you very much.

Looking at outcome 2 of the business plan now, another trade conflict that we have seen in the last year was the conflict with

Saskatchewan over licence plates. Can the government clarify what it did to protect the interest of Albertan workers on this issue?

Ms Notley: Well, as we've said in the past, you know, no matter the decisions that those in other jurisdictions make, if they are hurting Albertans or Alberta families, we will fight back, and we will stand up for workers and families and the businesses that support them. So when Saskatchewan came forward, a little bit to our surprise – we didn't really see that one coming over the licence plates – we did challenge that decision under the New West Partnership trade agreement. At the time we really could find no evidence of Saskatchewan workers being turned away from Alberta job sites because of their licence plates, but it, unfortunately, seemed to be what the previous government was suggesting. Anyway, it was not particularly helpful.

Inevitably, their government did back down from those claims, and we did commit to having a summit with them, or the affected ministers did. We offered that up; it never ultimately happened. But I will say and I'm happy to report that thus far we've been having some pretty productive relationships with the new administration in Saskatchewan.

Connolly: Great. Well, I'm glad to hear it.

Now, in the business plan the strategic context has been updated. It is very important to have a consistent strategy to be successful, so I would like to know why these changes have been implemented.

Ms Notley: Sure. Well, the changes we've made intend to reflect the current sort of economic climate. As I was talking about briefly in my opening remarks, we do think that things are starting to turn a corner, very carefully, in that, you know, last year we created about 90,000 new full-time jobs. But we also know that there's still a great deal of work to do and that a recovery that, frankly, isn't felt in every household is not actually a recovery. Everybody needs to feel it, not just a few. So the strategic context: we've updated it to reflect how the government will continue to work to protect families and individuals through investments in jobs, in the diversification work, that we talked about in bills 2 and 1, and in investments in the services that Albertans rely upon. We continue to keep those strong while carefully – carefully – and strategically reducing the rate of growth in government spending.

5:10

Other sections were updated to make a really strong statement that we will, as we've already been talking about at great length, continue to fight for fair market access for our energy products by securing new markets, that we will continue to promote job creation and protect existing and new jobs, and that we will continue our work in terms of making the government of Alberta more accessible to all Albertans, particularly ensuring that there are greater levels of gender equity and overall equity reflected in not only the appointments that we make but in the policy that we bring forward.

Connolly: Great. Well, thank you very much.

I'm now looking at outcome 1 on page 76 of the business plan. I know that you appointed a Minister of Indigenous Relations, but leadership is also important. I would like to ask you now how the government is working with the indigenous people of Alberta.

Ms Notley: Well, you know, that is a fundamental priority for us. We obviously have committed to implementing the UN declaration on the rights of indigenous peoples, and it's absolutely fundamental that we work together with indigenous Albertans and indigenous communities in the spirit of reconciliation in order to move our province forward as a whole. I'm proud of the protocol agreements

that we've struck with the Blackfoot Confederacy and the Treaty 8 First Nations. These set out a valuable framework for discussion and solutions to key challenges.

We know that we've also been successful at ensuring that individual programs we have within the government of Alberta also engage directly with indigenous communities very proactively as opposed to reactively. For instance, with respect to the climate leadership plan, which was a brand new policy built from the ground up under our government's leadership, we committed to a series of indigenous climate leadership initiatives that support indigenous communities with respect to local renewable projects, with energy efficiency efforts as well as additional training for taking their place in the new low-carbon economy.

We are also working with them in other places through our housing investments. Through the work of Minister Sigurdson there were specific investments in supporting indigenous communities with housing, in particular off-reserve housing, low-income off-reserve housing.

There are a number of different ways in which, for pretty much every policy that comes to the cabinet table, we look at whether there is a mechanism for us to support the principles of the UN declaration in moving forward with that policy in a way that is still financially responsible to all Albertans.

Connolly: Great. Well, thank you very much.

I know that when you were in opposition, you talked just a little bit about the previous government's hosting expenses and how they were often incredibly high. How much is being spent on hosting, and is this more or less than in the past?

Ms Notley: Well, hospitality expenses, as you know, are publicly disclosed in accordance with the public disclosure of travel and expenses directive, so it's another element of the transparency that our government is committed to putting forward. Hospitality in 2017-18 decreased by more than 50 per cent from the previous year. We've also seen that hospitality for Executive Council just for the year to date has also come down. In the meantime we are still doing everything we can to ensure that we're able to appropriately host visiting dignitaries and others, but we are also endeavouring to make sure that we do it in a responsible and prudent fashion.

Connolly: Great. Thank you very much.

How much time do I have left, Chair?

The Chair: You have five seconds.

Connolly: Great. Well, thank you very much. I really appreciate this time.

The Chair: Thank you, hon. member.

We'll now move back to the Official Opposition caucus. Would you like to continue sharing your time with the Premier?

Mr. Kenney: Yes, Chair.

The Chair: Please proceed.

Mr. Kenney: Thank you. Premier, 45 minutes ago you said to me that you were more optimistic now about the completion of the Trans Mountain pipeline than you've ever been. While you said that, Steven Kean, the president and CEO of Kinder Morgan Canada, was on a conference call with his investors. He said the following, quote: as we said then – 10 days ago – it's become clear this particular investment may be untenable for a private party to undertake; the events of the last 10 days have confirmed those views.

Premier, how could your view be so different than that of the president of the company trying to build the pipeline? Why would you tell us that you're more optimistic now than you were 10 days ago when the president of Kinder Morgan Canada said 45 minutes ago to investors that the events of the last 10 days – that would include your meetings in Ottawa and the introduction of your legislation – have confirmed those views? Isn't this part of a pattern where you told us on March 26 that following a Federal Court decision it was a pretty definitive victory for the pipeline and you said on February 22 that B.C.'s decision is an important step forward, one small victory? Premier, with victories like this, I'd hate to see what defeat looks like.

Ms Notley: Well, I think you know what defeat looks like, with the greatest of respect. However, that being said, what I'm saying is this. The pipeline to tidewater needs to be built. There needs to be a pipeline that our shippers and our industry can put their product in and get it to Canadian tidewater in order to reduce the differential that comes from not having a pipeline in general as well as that it comes from being attached to one market. The mechanism for getting that pipeline built, the positioning right now of a private company, which is clearly, in conversations with us and the federal government, to reduce and eliminate investor risk: that is something that needs to be discussed.

Mr. Kenney: Well, Premier . . .

Ms Notley: No. Just let me be very clear here. We absolutely respect and want to support Kinder Morgan going forward. We have committed as a government that we will engage in financial discussions to reduce investor risk.

Mr. Kenney: Premier, I have to tell you that Mr. Kean was asked about that. He was asked about your prospective investment. He said: they're really two separate things; most of the investment is in British Columbia, where the government is in opposition to the project; that is an issue that, in our view, needs to be resolved. He continues on to say that following the events of the last 10 days, including your discussion . . .

The Chair: Sorry, hon. member. Sorry to cut you off, hon. member, but we're tending to get off the scope of the business plan, so I was wondering if we could site this back to . . .

Mr. Nixon: A point of order, Mr. Chair.

The Chair: Go ahead.

Mr. Nixon: The entire budget that we are debating around this table right now is based on this pipeline being built. The entire budget. I would submit to you, Mr. Chair, that without a doubt that falls under the questioning that the member has with very limited time. As pointed out earlier, already inside the Premier's business plan, which we are here discussing today, this is repeatedly talked about, the issue that the hon. Member for Calgary-Lougheed is speaking about. As well, the Premier's introduction to this committee spent a tremendous amount of time on that.

Mr. Chair, while I recognize that the Premier is uncomfortable with this line of questioning because of what's happening – I'd suggest that I would be, too – I think it's important that we let the member continue to ask his questions, and the Premier should answer them.

The Chair: Hon. members, as has been prefaced – and I'll try to be brief with my statements, obviously, because we're cutting into time. The focus – sorry, Mr. Dach. You had something to say?

Mr. Dach: Sorry. Thank you, Mr. Chair. I think we've delved into an area during this whole meeting which is really an area that belongs most properly in the Legislature, debating issues of the day and policy.

Mr. Nixon: Mr. Chair . . .

The Chair: Sorry. Mr. Dach has the floor.

Mr. Dach: I'm wondering if we could try to keep the discussions around the agenda item, which is the Executive Council budget. I think I'd much prefer that debate, and I really wish we wouldn't stray into attempting to use this platform as a means of dealing with issues that are more properly dealt with in the Legislature itself.

Mr. Nixon: As a means of dealing with issues: that's exactly what's happening here, Mr. Chair. The government is attempting to stop us from dealing with issues. The Premier's business plan says on page 75: "fighting to build the Trans-Mountain Pipeline . . . to open up new export markets." The member's questioning is totally within that.

In addition to that, the members across the way, the government members of this committee, spent a tremendous amount of time talking about licence plate stuff, that has nothing to do with the budget, previous to this. This is an attempt to filibuster and for the Premier to avoid answering very serious questions about the most serious issue that is facing this province right now. Mr. Chair, you should instruct the Premier to answer the questions and the other members to stop delaying the member's time.

5:20

The Chair: I will note the gestures of the Premier here to continue this on. You know, I take on the advice of what I interpret from the rules, the advice I get from Parliamentary Counsel as to how to enforce these appropriately. With that being said, when members of the government side were citing many of the items here, they were tying it in with the business plan, the strategic plan, or within budget line items and asking supplementals within that. Just within that, I would like, in that vein, to try to tie in with the existing budget plan.

Ms Notley: If I could, maybe, I'm happy to . . .

Mr. Kenney: I'm sorry.

Ms Notley: I thought there was a question on the floor.

Mr. Kenney: Just to clarify, just to ensure that I'm in order, Chair, given that page 75 of the Executive Council business plan speaks to the construction of Kinder Morgan as a strategic priority of the Premier with respect to the estimates before us and given that the Premier raised this in her opening statement, I would therefore like to ask the Premier why she is so much more optimistic than the actual company trying to build the pipeline, which an hour ago said that the project may be untenable, notwithstanding discussions about government investments.

Ms Notley: The reason I am in that position is because I believe that the government which has made the decision to get the pipeline built, which is the federal government, is fully engaged in this. Now, I'm not going to negotiate in public with Kinder Morgan, with the greatest of respect for the leadership of Kinder Morgan. We have worked very closely with them for some time, and we are in deep discussions with them now. I would suggest right now that over the course of the conversations that are going on about the fiscal relationships between now and the ultimate completion of those discussions, there may be some public positioning that goes

on. I am not going to engage in negotiations around that public positioning or respond to that public positioning because my objective and the objective of the government of Alberta is to come to a solution that will ensure that there is a pipeline constructed between Alberta and the port of Vancouver, that ships our product. And I believe that the people that need to be at the table to make that thing happen are now at the table. But I will not engage in public negotiations around what is happening at that table now.

Mr. Kenney: Mr. Chair, the Premier just said that she won't respond to Kinder Morgan's public positions. She held an unscheduled news conference 10 days ago to respond to the announcement of their suspension. She had an emergency meeting in Ottawa last Sunday to respond to Kinder Morgan's suspension. I am now raising comments, made concurrent with her statement before this committee that we're closer than ever to the construction of the pipeline, from the president of Kinder Morgan Canada saying that the project may be untenable – the events of the last 10 days have confirmed those views – and that prospective federal or provincial investment is really not relevant because certainty needs to be resolved in British Columbia. Does she disagree with the president of the company that has invested hundreds of millions of dollars in this project?

Ms Notley: What I'm saying is that I believe that we have the right people at the table to determine the certainty that is necessary, and that will be a product of discussions and negotiations. There was not a table that was focused on determining that at the previous times that you outlined, but there is now. I am going to refrain from the almost celebratory type of engagement that you are in, trying to predict the demise of the project, because I believe that we are in a very sensitive time. I think that we are going to let the conversations which are at the table continue at the table for the time being.

Mr. Kenney: Mr. Chair, I can tell you that the only people that are celebrating are the OPEC dictatorships that want to see this pipeline not built. If the Premier had accepted our advice nine months ago to begin developing a fight-back strategy, we might not find ourselves in this position today.

The Chair: I hesitate to interrupt, but the final four and a half minutes will be allotted to the third-party caucus. Please proceed, Mr. Clark.

Mr. Clark: Thank you, Mr. Chair. Given that on page 75 it talks about fighting to build the Trans Mountain pipeline and given what we've just seen here in this story, where Mr. Kean, the president of Kinder Morgan, talks about whether financial support from the federal government would ensure construction – and I presume that could be stretched to financial support also from the provincial government – and says that most of the investment is in British Columbia, where the government is in opposition to the project, that this is an issue that, in our view, needs to be resolved, if that's their concern and we end up owning this pipeline, how are we going to build it when Kinder Morgan couldn't?

Ms Notley: Well, there are a lot of conversations that still need to be taken. I am of the view that there is a path to get this built. We know that the government of B.C. is very much focused on sort of a passive-aggressive attempt to harass investor certainty to the point that investors walk away. At the same time, the absence of investor certainty becomes a thing that people pay for. We are at a very critical point, where things are being negotiated, so with the greatest of respect, we're going to have to let those conversations carry on.

Mr. Clark: Yeah. That's what I'd like to ask you about. You said earlier today that we're not going to negotiate in public, but you have

negotiated in public. You talked to Don Braid of the *Calgary Herald* and other media outlets after that, and you said: we'd buy the whole thing; we would just buy the whole thing. So right there you played your entire hand. What I'm very concerned about is that you've put Alberta taxpayer dollars at tremendous risk by essentially saying that this is exactly one hundred per cent how far we're going to go. So you've already negotiated in public, and I'm concerned we're boxed in. Now it feels like Kinder Morgan is taking full advantage of that, so I'm concerned that we're at tremendous risk here.

Ms Notley: Well, what we actually said is: up to and including. We indicated that there were a range of options, and there are now a range of players at the table because, of course, what's happened now is that the federal government is at the table, which, frankly, is helpful to ensuring the best outcome on this project. So we are going to have to stand pat while that work continues.

But be very clear: regardless of what happens, we are going to make sure that the financial position of Albertans, whether it be through their taxpayer dollars or otherwise, is protected entirely. That is something that is absolutely front and centre, in front of us. We also know that getting this pipeline built is critical. As I say, we are at a critical time with a number of different stakeholders at a table where there are going to be conversations. Right now my job is to make sure that we are able to participate in a way that gets the best outcome for Albertans, and that's what I'm focused on doing.

Mr. Clark: How do we know that taxpayer dollars will be protected if investors of Kinder Morgan feel there's too much risk? Who would build that pipeline if we end up, as the government of Alberta, owning it? Would we have our own engineers and contractors to do it?

Ms Notley: Again, I think we're way too far down the road there. We are fully speculating, and I don't think that's helpful in this setting or at this time.

Mr. Clark: So what mechanism would we use? Would we buy it through AIMCo? Would we take it on and make it a Crown corp.?

Ms Notley: Again, honestly, Member, this is not the forum for that conversation. I appreciate your interest, but at this point we're at a table, and we need to have conversations at the table.

Mr. Clark: Well, I guess I just want to express, first off, that I'm certainly not cheering for this to fail. In fact, I'm very much cheering for this to succeed, and I think it's in Alberta's interest to do so. But I'm gravely concerned that it's been allowed to get to this point. With respect, your government hasn't made a strong enough case, going far enough back, to the people of British Columbia. Ironically, our interests in Alberta and the action you've taken on climate change, which I laud in broad terms, are aligned with the interests of the people of British Columbia, what they want. And that's not a case, I feel, that has been made strong enough. The economic case has been made to some degree, but there's been an opportunity along the way to make that environmental case, not just the climate impact but the displacing of other product . . .

The Chair: I apologize for interrupting, but I must advise the committee that the time allotted for this item of business has concluded.

This is the end of the consideration of the 2018-2019 main estimates for this committee. Thank you, everyone.

The next meeting will be May 1 for consideration of Bill 201.

Now the meeting stands adjourned.

[The committee adjourned at 5:30 p.m.]

