



Province of Alberta

The 27th Legislature
First Session

Alberta Hansard

Monday evening, May 12, 2008

Issue 18e

The Honourable Kenneth R. Kowalski, Speaker

Legislative Assembly of Alberta

The 27th Legislature

First Session

Kowalski, Hon. Ken, Barrhead-Morinville-Westlock, Speaker
 Cao, Wayne C.N., Calgary-Fort, Deputy Speaker and Chair of Committees
 Mitzel, Len, Cypress-Medicine Hat, Deputy Chair of Committees

<p>Ady, Hon. Cindy, Calgary-Shaw (PC), Minister of Tourism, Parks and Recreation Allred, Ken, St. Albert (PC) Amery, Moe, Calgary-East (PC) Anderson, Rob, Airdrie-Chestermere (PC), Parliamentary Assistant, Solicitor General and Public Security Benito, Carl, Edmonton-Mill Woods (PC) Berger, Evan, Livingstone-Macleod (PC), Parliamentary Assistant, Sustainable Resource Development Bhardwaj, Naresh, Edmonton-Ellerslie (PC) Bhullar, Manmeet Singh, Calgary-Montrose (PC), Parliamentary Assistant, Advanced Education and Technology Blackett, Hon. Lindsay, Calgary-North West (PC), Minister of Culture and Community Spirit Blakeman, Laurie, Edmonton-Centre (L), Official Opposition House Leader Boutilier, Guy C., Fort McMurray-Wood Buffalo (PC) Brown, Dr. Neil, QC, Calgary-Nose Hill (PC) Calahasen, Pearl, Lesser Slave Lake (PC) Campbell, Robin, West Yellowhead (PC), Deputy Government Whip Chase, Harry B., Calgary-Varsity (L), Official Opposition Whip Dallas, Cal, Red Deer-South (PC) Danyluk, Hon. Ray, Lac La Biche-St. Paul (PC), Minister of Municipal Affairs DeLong, Alana, Calgary-Bow (PC) Denis, Jonathan, Calgary-Egmont (PC) Doerksen, Arno, Strathmore-Brooks (PC) Drysdale, Wayne, Grande Prairie-Wapiti (PC) Elniski, Doug, Edmonton-Calder (PC) Evans, Hon. Iris, Sherwood Park (PC), Minister of Finance and Enterprise Fawcett, Kyle, Calgary-North Hill (PC) Forsyth, Heather, Calgary-Fish Creek (PC) Fritz, Hon. Yvonne, Calgary-Cross (PC), Minister of Housing and Urban Affairs Goudreau, Hon. Hector G., Dunvegan-Central Peace (PC), Minister of Employment and Immigration Griffiths, Doug, Battle River-Wainwright (PC), Parliamentary Assistant, Agriculture and Rural Development Groeneveld, Hon. George, Highwood (PC), Minister of Agriculture and Rural Development Hancock, Hon. Dave, QC, Edmonton-Whitemud (PC), Minister of Education, Government House Leader Hayden, Hon. Jack, Drumheller-Stettler (PC), Minister of Infrastructure Hehr, Kent, Calgary-Buffalo (L) Horne, Fred, Edmonton-Rutherford (PC) Horner, Hon. Doug, Spruce Grove-Sturgeon-St. Albert (PC), Minister of Advanced Education and Technology Jablonski, Hon. Mary Anne, Red Deer-North (PC), Minister of Seniors and Community Supports Jacobs, Broyce, Cardston-Taber-Warner (PC) Johnson, Jeff, Athabasca-Redwater (PC) Johnston, Art, Calgary-Hays (PC) Kang, Darshan S., Calgary-McCall (L) Klimchuk, Hon. Heather, Edmonton-Glenora (PC), Minister of Service Alberta Knight, Hon. Mel, Grande Prairie-Smoky (PC), Minister of Energy Leskiw, Genia, Bonnyville-Cold Lake (PC)</p>	<p>Liepert, Hon. Ron, Calgary-West (PC), Minister of Health and Wellness Lindsay, Hon. Fred, Stony Plain (PC), Solicitor General and Minister of Public Security Lukaszuk, Thomas A., Edmonton-Castle Downs (PC), Parliamentary Assistant, Municipal Affairs Lund, Ty, Rocky Mountain House (PC) MacDonald, Hugh, Edmonton-Gold Bar (L) Marz, Richard, Olds-Didsbury-Three Hills (PC) Mason, Brian, Edmonton-Highlands-Norwood (NDP), Leader of the NDP Opposition McFarland, Barry, Little Bow (PC) McQueen, Diana, Drayton Valley-Calmar (PC), Parliamentary Assistant, Environment Morton, Hon. F.L., Foothills-Rocky View (PC), Minister of Sustainable Resource Development Notley, Rachel, Edmonton-Strathcona (NDP), Deputy Leader of the NDP Opposition, NDP Opposition House Leader Oberle, Frank, Peace River (PC), Government Whip Olson, Verlyn, QC, Wetaskiwin-Camrose (PC) Ouellette, Hon. Luke, Innisfail-Sylvan Lake (PC), Minister of Transportation Pastoor, Bridget Brennan, Lethbridge-East (L), Deputy Official Opposition Whip Prins, Ray, Lacombe-Ponoka (PC) Quest, Dave, Strathcona (PC) Redford, Hon. Alison M., QC, Calgary-Elbow (PC), Minister of Justice and Attorney General Renner, Hon. Rob, Medicine Hat (PC), Minister of Environment, Deputy Government House Leader Rodney, Dave, Calgary-Lougheed (PC) Rogers, George, Leduc-Beaumont-Devon (PC) Sandhu, Peter, Edmonton-Manning (PC) Sarich, Janice, Edmonton-Decore (PC), Parliamentary Assistant, Education Sherman, Dr. Raj, Edmonton-Meadowlark (PC), Parliamentary Assistant, Health and Wellness Snelgrove, Hon. Lloyd, Vermilion-Lloydminster (PC), President of the Treasury Board Stelmach, Hon. Ed, Fort Saskatchewan-Vegreville (PC), Premier, President of Executive Council Stevens, Hon. Ron, QC, Calgary-Glenmore (PC), Deputy Premier, Minister of International and Intergovernmental Relations Swann, Dr. David, Calgary-Mountain View (L) Taft, Dr. Kevin, Edmonton-Riverview (L) Leader of the Official Opposition Tarchuk, Hon. Janis, Banff-Cochrane (PC), Minister of Children and Youth Services Taylor, Dave, Calgary-Currie (L), Deputy Leader of the Official Opposition VanderBurg, George, Whitecourt-St. Anne (PC) Vandermeer, Tony, Edmonton-Beverly-Clareview (PC) Weadick, Greg, Lethbridge-West (PC) Webber, Len, Calgary-Foothills (PC), Parliamentary Assistant, Energy Woo-Paw, Teresa, Calgary-Mackay (PC) Xiao, David H., Edmonton-McClung (PC), Parliamentary Assistant, Employment and Immigration Zwodzdesky, Hon. Gene, Edmonton-Mill Creek (PC), Minister of Aboriginal Relations, Deputy Government House Leader</p>
---	---

Officers and Officials of the Legislative Assembly

Clerk	W.J. David McNeil	Sessional Parliamentary Counsel:	Sarah Dafoe
Clerk Assistant/ Director of House Services	Louise J. Kamuchik	Sergeant-at-Arms	Brian G. Hodgson
Clerk of <i>Journals</i> /Table Research	Micheline S. Gravel	Assistant Sergeant-at-Arms	J. Ed Richard
Senior Parliamentary Counsel	Robert H. Reynolds, QC	Assistant Sergeant-at-Arms	William C. Semple
Senior Parliamentary Counsel	Shannon Dean	Managing Editor of <i>Alberta Hansard</i>	Liz Sim

[Errata, if any, appear inside back cover]

Legislative Assembly of Alberta

7:30 p.m.

Monday, May 12, 2008

[The Deputy Speaker in the chair]

The Deputy Speaker: Please be seated.

Motions Other than Government Motions

The Deputy Speaker: The hon. Member for Leduc-Beaumont-Devon.

Port Alberta

504. Mr. Rogers moved:

Be it resolved that the Legislative Assembly urge the government to provide support, in conjunction with its federal and municipal counterparts, to Port Alberta at the Edmonton International Airport with the aim to foster economic growth in the capital region and Alberta.

Mr. Rogers: Thank you, Mr. Speaker. It is with great honour and privilege that I stand here before you this evening to open the debate on Motion 504, which urges the Alberta government to provide support for Port Alberta, which will be focused at the Edmonton International Airport.

Mr. Speaker, while the infrastructure for this project will physically exist at the Edmonton International Airport, this opportunity is much bigger than where it is located. It is an opportunity that is immense, for lack of a better term, for the entire capital region and for all of northern Alberta and, indeed, this great province. Albertans have remained successful economic contributors to our country for many years because of strong intuition, determination, and a tireless pursuit of innovation and entrepreneurship. Our province has been built on these qualities, and the Port Alberta concept is just another residual of innovative thinking by Albertans.

Simply put, Mr. Speaker, Motion 504 takes advantage of a tremendous opportunity which has been placed before us. The Edmonton International Airport, or EIA, is the fastest growing by passenger and largest by area major airport in Canada. In 2006 a record-breaking 5.2 million passengers flew to and from the airport at an increase of a whopping 15.5 per cent from the previous year, and by 2012 the traffic is expected to grow by another 50 per cent.

An Hon. Member: How much?

Mr. Rogers: Another 50 per cent.

Mr. Speaker, the Edmonton International Airport and the capital region are indeed the gateway to the north. Passengers from Grande Prairie, Fort McMurray, Yellowknife, Saskatoon, and 10 northern communities all use the Edmonton International Airport to connect to international destinations. The Edmonton International Airport is also the destination for passengers coming to Alberta in pursuit of the opportunities our province has presented to so many others before them and particularly over the last decade.

Edmonton also happens to be a gateway for goods travelling in and out of our continent. It is, in fact, Mr. Speaker, Edmonton's location which has made it somewhat of an anomaly in North America, making the possibility of an inland port so feasible. Edmonton is the first major inland city in North America in relation to the overcrowded port of Vancouver and the deepwater port at Prince Rupert. Edmonton is at the crossroads of the Yellowhead highway, Alaska highway, and the Canamex north-south trade

corridor. It has the best rail access to all parts of North America, it has favourable flight distances to major international airports all over the world, and it borders Canada's largest industrial park, which is located in Nisku.

Mr. Speaker, we must seize the opportunity set before us and build the infrastructure needed to add value to the goods flowing through this corridor in order to solidify Edmonton and the capital region as an international hub for exchange, shipping, and commerce. Air cargo currently comprises less than 5 per cent of the overall volume of international trade but accounts for almost 40 per cent of the overall value. To maximize its potential, it is believed that the Prince Rupert-Edmonton transportation corridor needs to be connected to global air cargo markets to capitalize on the true potential for shipping of these goods.

Currently the Edmonton International Airport acts as a North American transshipment zone for goods coming to and from Hong Kong and Shanghai, offering market access to one of the largest developing economies in the world, Mr. Speaker, and of course I speak of China. With additional support, however, Port Alberta could accommodate further services to destinations like Dubai, London, Frankfurt, the rest of Europe. The entire world market is at our fingertips. Also, with easy accessibility to our north, goods, services, and human capital could expand upon our already flourishing economy and set the pace for a new era of prosperity and sustainability in Alberta.

Another plus about this project, Mr. Speaker, is that it fits nicely into projects and initiatives that our federal and provincial governments have already initiated. In May 2007 Transport Canada approved \$75 million under the Asia Pacific gateway and corridor initiative for the interchange and grade-separated rail crossing at the Queen Elizabeth II highway and 41st Avenue, just north of the county of Leduc in the city of Edmonton. This year, Mr. Speaker, exactly a year later, the Hon. Rona Ambrose, Minister of Western Economic Diversification, announced federal funding of \$1.5 million towards the development of a strategic plan for Port Alberta, furthering the federal government's commitment to making Alberta a world player in the economic community.

This funding, Mr. Speaker, also came under the guise of the Pacific gateway program. In collaboration with our federal government the government of Alberta contributed support for these initiatives as well as support for a new Canadian Pacific Railway intermodal terminal facility in the same area.

Mr. Speaker, it is hoped that when all of these initiatives are completed, the movement of goods between rail and transport vehicles will provide an efficient link for goods flowing through our capital region to and from North America and international markets, making Edmonton and the capital region a truly world player in international trade.

Another plus, Mr. Speaker, is that these projects are all mentioned in the hon. Premier's 20-year strategic capital plan in addressing our infrastructure needs. Port Alberta is an initiative which falls directly in line with these projects. It is an opportunity which has presented itself because of Alberta's continuing prosperity and location, and it's an opportunity to establish Alberta as a player on the world stage for the transshipment and trade of goods.

Therefore, Mr. Speaker, I ask all hon. members here today to vote in favour of Motion 504 and seize this great opportunity.

The Deputy Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I was listening with a great deal of interest to the hon. member's speech.

Certainly, Motion 504 is noteworthy, and I think it should be supported. To encourage the provincial government to support and initiate the final Port Alberta initiative I think is noteworthy, but I do have questions for the hon. member.

The idea of having out at the International Airport a port or a superport, so to speak, has been discussed at some length for a number of years now. I see where the Chamber of Commerce has been working hard at this, from what I can understand, and I can appreciate that, but Port Alberta is an idea that aims to enhance the entire capital region, the transportation infrastructure, and the trade patterns that we have developed and, hopefully, we will strengthen.

Now, Port Alberta, as it's being discussed here, is going to become the new gateway for cargo transportation, combining air, rail, and road transportation infrastructure at one single point, which is the Edmonton International Airport. The questions I have hopefully can be answered during the debate on Motion 504. The hon. member did his due diligence on this, and I believe he indicated that air cargo to the airport is 5 per cent by volume but 40 per cent by value. Certainly, if we were to expand that, there would be much-needed infrastructure. That leads me to a series of questions if we're relying on air cargo, and that's our number one objective here.

7:40

We hear this often, and I know many levels of government are working at this, the plan to build off the new container port in Prince Rupert in B.C., which is 58 hours closer to Shanghai than any other port in North America. The site of the International Airport at Port Alberta would become a key cargo processing centre capable of housing multiple means of transportation. Port Alberta, correctly, will be an inland port. It would be key to moving goods quicker between Canada and Asian markets. It will be a designated transshipment zone so imported goods can move to export without traditional tariffs.

In light of the statistics has any consideration been given in the promotion and discussion of Port Alberta – we're talking about air cargo here, but does it not make more sense to, if it is possible, work something out with the existing property at the municipal airport? We're right by the Calder rail lines. The member talked about having the best rail access. The hon. member talked about that. I would like to know what consideration has been given with the selection of the Edmonton International Airport because if you're looking at infrastructure, you're going to need a lot of enhanced rail links from the west. Are we going to come in from a different direction with a rail link, or are we going to go through Edmonton anyway? Hopefully we're going to see significant improvement and reduced travel time between, let's say, the Calder yard and the yard in Prince Rupert as far as rail transportation goes.

Since the municipal airport is separated by a major highway – hopefully in time it will be an uninterrupted freeway, the Yellowhead highway, and that is also very near the Calder yard – what consideration has been given to locating Port Alberta right in the centre of the city? Now, we're talking about infrastructure costs here, significant infrastructure costs. I know we're developing further at the International Airport, but does the hon. member have any idea that he can give to us in the Assembly of what it will cost to develop Port Alberta at the International Airport, including improved rail access, improving air cargo access to facilitate the loading and unloading of airplanes? We all know that there are fuel surcharges now, and past your airplanes – I can only assume that that will also be applicable to some cargo operators – we all know that rail is a very efficient, economical way to move a large volume of goods.

Now, hon. member, I really appreciate your presentation on the statistics on the air cargo, very valuable goods but a low percentage of the total volume, and I sure would appreciate over time if I could have an explanation as to why the entire focus on the Edmonton International Airport and if at any time there was consideration to use some of the land around the municipal airport as possibly a superport because of its proximity to our major east-west rail link and also the Yellowhead highway. I would urge the hon. member to have a look at that.

Now, the current modelling, as I understand it, has been done for projects, including Edmonton. Edmonton's project is based on what could possibly happen at the Vancouver International Airport. I certainly hope and wish the member well in this. Port Alberta means more employment, steady long-term employment, for the capital region. Port Alberta has the potential to transform Edmonton and the capital region into a major warehousing and distribution hub that, as I said earlier, will combine air, freight, and road transportation infrastructure, and it would create a major transportation centre between the U.S. and China through the port of Prince Rupert and a free trade zone so that foreign companies can do business here. The entire capital region and all the local chambers of commerce, as I understand it, are fully in support of this initiative, but they are waiting for or counting on the full support of the provincial government.

I think this is a worthwhile initiative. I certainly wish the hon. member the very best on this motion and his promotion of the Port Alberta. Port Alberta will position the city of Edmonton and the entire capital region very favourably in terms of economic growth for the future, and I would urge all hon. members to give it their consideration. However, I do have those questions regarding the central part of Edmonton and the fact that we're so close to the rail links, and so much of the volume of this cargo in the future, I can only assume, will go from tidewater to Edmonton via rail.

Thank you.

The Deputy Speaker: I would like now to call on the hon. Member for Wetaskiwin-Camrose.

Mr. Olson: Thank you, Mr. Speaker. It's a pleasure to speak this evening in support of Motion 504, which of course encourages development of Port Alberta located at the Edmonton International Airport. When one examines the facts of Alberta's location and its existing infrastructure and the global economy, I think it's hard to come to any conclusion other than that this is something that we should give our support to.

Here are some of the factors that have led me to reach that conclusion. In the last five years the world economy has grown more than in any five-year period since World War II, and that trend is predicted to continue. We're increasingly becoming part of a global economy, and that places a high value on the movement of people and goods. Canada has always been heavily reliant on trade. In fact, it's our lifeblood, really. Within Canada the strongest economy is Alberta, and Alberta relies heavily on trade, and a lot of our trade is with the United States. The United States economy has had some difficulties recently, but it is still the dominant economy on this planet. Next to Canada and Mexico China and Hong Kong are now the largest U.S. export markets, and between 2000 and 2006 U.S. exports to China grew by 240 per cent. By 2006 China had become the U.S.'s second largest source of imports, and most of that traffic, of course, comes and goes from the west coast of North America.

Now, compared to other west coast ports Prince Rupert is closer to Asian ports by as much as 58 hours, as has already been indicated.

It's the deepest harbour in North America. It's ice free year-round. It's closest to the open ocean. It has two modern bulk-handling terminals and a state of the art container terminal. It's connected by rail to 17 intermodal terminals across Canada and the U.S. Midwest. So one would ask: "What's the logical inland route? From Prince Rupert where does it go?" Well, it goes right through Edmonton and then reaches the Midwest and the eastern seaboard. But it's not just about sea and rail, Mr. Speaker. Air traffic from Asia to the U.S. Midwest and the eastern U.S. crosses over Edmonton as does air traffic from Europe to the western U.S.

7:50

In the Canadian context Edmonton is a regional hub for movement of people and cargo by air to northern Alberta and the Northwest Territories. That traffic is also expected to continue with significant growth. This has already been pointed out, but I think it bears repeating: Edmonton International Airport is the fastest growing airport in Canada in terms of passenger numbers, and it is the largest in terms of land. There's a lot of land available to be developed there.

It also has two long runways capable of landing any aircraft, including the new Airbus A380, which is the world's largest passenger aircraft. You might have seen in the news that when the A380 was launched, when they took it on its tour, it couldn't land at a lot of airports. Of course, as has also been pointed out, the Nisku industrial park is the largest in Canada.

Now, as the MLA for Wetaskiwin-Camrose, Mr. Speaker, I can see that the development of Port Alberta would offer significant benefits to my constituents. For example, in my maiden speech I made reference to the joint economic development initiative, or JEDI. JEDI was established in 2003, and it's a dynamic partnership between the city of Wetaskiwin, the county of Wetaskiwin, and the town of Millet, and that's all just down the road from the Edmonton International Airport.

The goal of this partnership is to increase industrial development in the JEDI region and along the highway 2, or Queen Elizabeth highway, corridor between Edmonton and Calgary, and those goals fit exactly with those of Port Alberta. The region in which JEDI falls in my constituency is ready to help see those goals accomplished. The JEDI region is affordable, and it's accessible no matter what the mode of transportation. It has excellent access to highway 2, highway 2A, highways 13 and 22 as well as main line rail access. It also has a stable workforce of approaching 25,000 people, and we already have experience in shipping and receiving as we're home to western Canada's Home Hardware distribution centre, which employs between 300 and 500 people.

Mr. Speaker, I believe that we're at a time in our history when diversification of our economy is crucial, and I also believe that to diversify, we have to have frequent open access to the world. For all of these reasons, I'm going to encourage the members of this Assembly to vote in favour of this motion and in favour of a stronger Edmonton transportation area. If we build it, they will come.

Thank you.

The Deputy Speaker: The hon. Member for Cypress-Medicine Hat.

Mr. Mitzel: Thank you, Mr. Speaker. It's a pleasure to rise before the Assembly to add to the debate on Motion 504, which urges the government of Alberta along with the federal and municipal governments to support the development of Port Alberta near the Edmonton International Airport. Simply, this province would see numerous benefits from the development of Port Alberta. Notably, Port Alberta could provide another conduit to enhance the province

and western Canada as it would make the Edmonton region a gateway to and from Asia, Canada's north, and the oil sands region.

Port Alberta is recognized as a perfect fit for the Asia Pacific gateway initiative, which has been introduced by the federal government and is supported by Alberta. Port Alberta also has the potential to diversify Alberta's economy both directly and indirectly. The Edmonton International Airport is presently recognized as a major air freight transportation centre for western Canada, and a facility such as Port Alberta situated nearly adjacent to the airport will increase and easily streamline the movement of goods by air to and from Alberta.

Mr. Speaker, connecting Edmonton and therefore Port Alberta in the Edmonton industrial area to the new megasized container terminal in Prince Rupert, British Columbia, will initiate a highly efficient mass transport corridor that will make the capital region a major hub of truck transport activity. As was so aptly put by the hon. members for Edmonton-Gold Bar and Wetaskiwin-Camrose, Prince Rupert as a seaport with a direct connection to Asian markets is closer by over two days than Canada's only other western port in Vancouver, which is Delta. It's significantly more close, by up to five days, than the United States ports of Seattle, Washington; Portland, Oregon; and Long Beach, California. A great deal of manufactured goods come through Prince Rupert from China, Korea, Japan, and Taiwan to travel to North American customers by rail via sea containers stacked two high. Similarly, raw materials are likewise shipped from Canada and North America to these same Asian markets. I've travelled highway 14, Mr. Speaker, east of Edmonton a great deal and continually see many unit trains over two kilometres long with containers stacked two high moving in both directions.

Upgrades to the QE II highway in Leduc near the proposed Port Alberta location are already being pursued by our government. These upgrades will allow for greater access to the vast highway network and allow incoming and outgoing truck traffic to move more efficiently. The location selected for Port Alberta, for instance, has significant strengths, especially for truck transport activity.

Two of North America's largest highway trade corridors, the Canamex and the Trans-Canada highway, are directly connected through Alberta. The Canamex corridor extends from Edmonton north and west through Grande Prairie to Alaska and south of Edmonton through Calgary and the southwestern United States to Mexico while the Trans-Canada highway runs coast to coast and links to major interstate highways in the United States. In addition, the port location has direct access points from the Alaska highway 2 and the Yellowhead highway 16 as well as Alberta's northern highway network, which includes the links to Fort McMurray. The Canamex north-south direct transportation connection provides a method of quick and efficient entrance into the southwestern U.S. and Mexican markets. It also imparts access to east-west interstate highways flowing to destinations such as Denver and Salt Lake City, essential destinations to truck drivers.

Regarding the method of movement of goods to and from the United States, I've long been proposing a second 24-hour commercial port of entry between Alberta and the United States. With a record \$6.7 billion worth of goods being exported by truck to the United States from Alberta and \$6.9 billion worth of goods being imported from the United States and this amount increasing by 3.5 to 5 per cent per year, it's important that this proposed 24-hour commercial port of entry be approved by the federal government. Alberta is solidly behind this proposal. It only stands to reason that a good deal of the goods I just mentioned, especially intermodal, would move through Port Alberta. Whether the goods enter or leave by rail, air, or truck, the hub at Port Alberta will act as the clearing

house and expedite the movement of goods to their destinations, be they in Alberta, Mexico, United States, or Asian markets.

For these reasons that I've mentioned, I will be supporting Motion 504. Thank you, Mr. Speaker.

Mr. Benito: Mr. Speaker, it is my pleasure to rise today to speak to Motion 504, which urges the government of Alberta to provide support for the development of Port Alberta at the Edmonton International Airport. This motion demonstrates our commitment to improving our competitive economic advantage by building on Alberta's status as a transportation gateway.

Mr. Speaker, Port Alberta is a momentous opportunity for the province of Alberta, particularly the capital region. The capital region is already considered to be the gateway to Canada's north. With the development of a large-scale transshipment hub that consolidates air, road, rail, and marine transport, Edmonton and area could easily become the gateway to Asia and most other key North American and Pacific Rim markets.

Mr. Speaker, a development such as Port Alberta could only serve to boost Edmonton's already vibrant economy. Edmonton is the ideal location for such an initiative. It is adjacent to Nisku Business Park, Canada's largest business park and the second largest oil and gas manufacturing park in North America after Houston.

The Edmonton International Airport has access to vast amounts of available land, and it is located at the crossroad of major rail, surface, air, and shipping transportation routes. Also, Port Alberta will be the first stop at a major centre in North America for goods transported through the port of Prince Rupert. This situates Port Alberta in the middle of the major North American air tracks.

8:00

The Edmonton International Airport is a success story in itself. Not only has it been established as the fastest growing major airport in Canada; it is a major contributor to regional, economic, and community development in the capital region. The airport is in the process of establishing a key multimodal transportation hub that links Asia, North America, and Europe. The addition of Port Alberta would add a significant link to the global supply chain and offer effective, innovative, logistics solutions for domestic and international markets.

We must seriously consider the merits of Motion 504. I am in full support of this motion. Thank you, Mr. Speaker.

[Mr. Mitzel in the chair]

The Acting Speaker: The hon. Member for Edmonton-Ellerslie.

Mr. Bhardwaj: Thank you, Mr. Speaker. I appreciate the opportunity to spend a few moments to add to the debate on Motion 504. As it is proposed, Motion 504 would show the Alberta government's support for developing Port Alberta and the Edmonton International Airport. I urge the members of this Assembly to support Motion 504 because developing Port Alberta would open up a tremendous amount of potential for the economy of not just Edmonton but Alberta. In fact, Port Alberta has the potential to become the gateway from Alberta to Asia and the north.

Port Alberta would become a major rail and highway link to the container terminal site in Prince Rupert, B.C. This site is already loading and unloading rail containers and Chinese cargo vessels. An enormous volume of rail containers currently travel along the CN rail from Prince Rupert en route to Chicago, St. Louis, and other major American markets. Since CN rail travels through Edmonton already, Port Alberta would essentially be the link between the American west and the Pacific Ocean port of Prince Rupert.

Mr. Speaker, Port Alberta would serve as a loading point for shippers looking to get goods to Asia via Prince George. In fact, Asian investors are already looking at Edmonton as a strategic shipping option. As reported on January 11, 2008, Edmonton International Airport was close to signing a deal with a Chinese investment group interested in building a large warehouse at the airport. The intention was to use an inland port as a distribution point to large U.S. retailers.

It is important to strengthen Canada's competitive position in the international economy. Because of this the government of Canada has supported the Asia Pacific gateway corridor strategy. I believe that it is also important for the provincial government to support the growth of our local economy as well as the economy of Canada as a whole by strengthening our competitive position in the international economy. In addition to helping facilitate the flow of cargo from Asia to North America, Port Alberta will also allow access to major resources in the north and big markets in Europe because of the extended air cargo capacity.

Canada's north currently has the world's third most valuable diamond production industry. If Edmonton International Airport had a greater capacity to handle air cargo, the airport would be better able to take advantage of this proximity to such a valuable resource.

Mr. Speaker, air cargo is becoming increasingly valuable in the global economy. Port Alberta must be connected to the world air cargo markets in order to capitalize on its wealth of resources and access to other transportation routes. The Edmonton International Airport is the northernmost major airport with access to major international routes. With this in mind the trade corridor would not just be Hong Kong to Prince Rupert to Edmonton to Chicago, for example; it could be Hong Kong to Prince Rupert to Edmonton to London or to Dubai.

Developing Port Alberta would benefit the city of Edmonton and the province of Alberta greatly. Motion 504 is important in showing the government's support for development. This development will help Edmonton's and Alberta's economies grow tremendously. For this reason I'm proud to support Motion 504.

Thank you, Mr. Speaker.

The Acting Speaker: The hon. Member for Calgary-McCall.

Mr. Kang: Thank you, Mr. Speaker. Over the past decade Alberta had the highest rate of economic growth in Canada at 4.3 per cent. In 2006 Alberta's economy grew by 6.8 per cent. Experts predict that Alberta will have one of Canada's top performing economies in the future. Alberta's export of goods and services more than doubled between 1996 and 2006 to \$90.1 billion. A growing number of those exports are manufactured products and services. Exports of manufactured goods more than doubled over the same period of time. Alberta had a rapidly growing manufacturing base between 1996 and 2006; manufacturing shipments almost doubled to \$64.4 billion.

In order for our economy to keep growing and to be competitive, we see Port Alberta as a smart port that is being developed to ensure that Alberta becomes a significant player in the global supply chain and in international trade. Port Alberta is an idea that aims to enhance the capabilities of transportation infrastructure and our trade logistics expertise so that Alberta can capitalize on opportunities being offered by the exponential growth in Asia Pacific trade. Port Alberta is staged to become the new gateway for cargo transportation, combining air, rail, and road transportation infrastructure at a single point, the Edmonton International Airport.

The Edmonton International Airport is the ideal location for such an enterprise. Located at the heart of one of the most vibrant

economies in the world, the Edmonton International is Canada's fastest growing by passenger, largest by area, major airport in Canada. Edmonton International has access to enough developable land and is strategically located at the crossroads of major air, surface, rail, and shipping transportation routes, including the port of Prince Rupert and the port of Vancouver.

Port Alberta is still in the conceptual stage, but the critical groundwork is being developed. Key developments are 13,000 square metres of dedicated new cargo apron in 2007; 3,000 acres are under development planned for 2008. Port Alberta is where opportunity, location, and potential combine to provide cost-effective, superior manufacturing, distribution, supply-chain management networks for both cargo and passenger traffic. The plan is to build a new container port in Prince Rupert, B.C., which is 58 hours closer to Shanghai than other ports in North America.

The current modelling that has been done so far projects total aviation activity at the Edmonton International Airport to be comparable to Vancouver International Airport by 2036. Assuming a steady rate of growth and development by 2016, total employment associated with Port Alberta is anticipated to grow to 12,000. This is projected to increase to 33,000 by the end of the forecast period in 2041. Port Alberta means more employment for the capital region based upon those projections, permanent employment. Port Alberta has the potential to transform Edmonton, the capital region, and the whole of Alberta, as a matter of fact, into a major warehousing distribution hub that combines air, freight, and road transportation infrastructure with links to Asia and the United States. It would create a major transportation centre between the U.S. and China through the port of Prince Rupert and create a free trade zone so that foreign companies can do business here.

The entire capital region and all local chambers of commerce are fully supportive of this initiative, but what they are waiting for and counting on is the full support of the provincial government. That's why Motion 504 is timely and important. It will move this process ahead and position the capital region and Alberta very favourably in economic terms for the future.

I'm in favour of Motion 504. Thank you, Mr. Speaker.

8:10

The Acting Speaker: The hon. Member for Calgary-Bow.

Ms DeLong: Thank you very much, Mr. Speaker. I wasn't going to speak today, but there are a few things that I think I should bring up. One of the advantages of being an MLA is that you get to go to some of the areas of Alberta that you wouldn't normally go to. I had the opportunity a couple of summers ago to go up to the Peace River area, and I was blown away by that place. It was totally different from what I'd expected it to be. For instance, there were fields upon fields of corn and vegetables, an incredible growing climate there, something that I really didn't expect. There was manufacturing going on there. It was an incredibly vibrant place.

You know, we talked to a lot of the local businesspeople there, and they said: well, yes, we do have all of this, but we have one major problem, and our problem is that we can't get our goods to market quickly enough. It seems that CN is willing to come from the Peace down to Edmonton, but it's not willing to go directly from the Peace over to the port of Prince Rupert. So what this does is add three days to the travel time, which adds a tremendous amount of cost, and it also means that perishable goods will perish, that otherwise you'd be able to get to markets. It's a major problem there, and it seems to me that if we keep moving further into this idea of everything having to come into a central area before it gets to where it wants to go, we might be actually adding problems or

adding cost to our transportation system rather than taking away from it.

The other point that I did want to make is really a question, and that is: are inland ports usually successful, especially in today's world where manufacturing is done in what's called just-in-time manufacturing? In other words, things aren't kept in warehouses anymore. They go directly from the source to wherever they're needed when they're needed rather than sort of keeping excess amounts on hand all the time.

You know, those are the two questions I have: how would this affect the Peace River area, and are inland ports usually successful? Thank you.

The Acting Speaker: The hon. Member for St. Albert.

Mr. Allred: Thank you, Mr. Speaker. I certainly support the concept of Port Alberta in principle, but like they say, the devil is in the details. I share some of the concern with my new-found friend from the opposition, which is maybe a little dangerous situation, but I would suggest that the hon. Member for Edmonton-Gold Bar makes some very good points, points that have given me some concern for some time.

It's been suggested that the International Airport is a strategic location. I think we really need to examine that concept. We're talking about trade with the Orient. What is the key to trade with the Orient for Edmonton? I would suggest that it's the Canadian National Railway, that goes directly to Prince Rupert, and it goes to the port of Vancouver.

CN Rail also has connections all over North America. It's the largest rail line in North America. Where is the CN intermodal located? It's on the west end of the Edmonton-Calder riding. The CN intermodal is also close to Calder yards. It's right on the Yellowhead highway. It's right on the Alaska highway. It connects with highway 2 north to Athabasca, to highway 28 to Cold Lake, and highway 63 to Fort McMurray. If there's a gateway to the north, it's most certainly more likely CN rather than the International Airport.

It's been suggested that air cargo at present is only 5 per cent by volume but 40 per cent by value. I think we need to analyze that. Why is it only 5 per cent by volume and 40 per cent by value? Probably because we're talking about high tech, which is shipped by air. It's not the large goods that are shipped by rail. I question whether the proper analysis has really been done to determine that the International Airport is the strategic location. I would suggest otherwise.

There are some major infrastructure problems in constructing Port Alberta adjacent to the International Airport. Firstly, it's going to require a major river crossing to get from the CN line to the south side and the International Airport. It's going to involve a major railway crossing to connect the Canadian Pacific rail line over the Queen Elizabeth highway to the airport.

Mr. Speaker, I would suggest that there are some major concerns involved with the motion identifying the International Airport, and I would therefore like to move an amendment to Motion 504 to delete the words "at the Edmonton International Airport."

The Acting Speaker: The motion has not been reviewed by Parliamentary Counsel, and the advice I'm getting is that it's not acceptable.

Mr. Allred: Okay.

If I can just continue for a few brief moments, then. You've heard my debate. I have some major concerns, and the concern is not with the concept of Port Alberta. The concern is with the supposed strategic location.

The Acting Speaker: Do any other members wish to speak? The hon. Member for Lethbridge-East.

Ms Pastoor: Thank you, Mr. Speaker. I'll be very brief, and probably I'm standing up with self-interest in what I'm going to say.

One concern that I would have, though, is the security on something this large. I think that if there were ever problems, it would certainly be the first place that people would want to be looking at in terms of disrupting.

The other thing is that with all of those huge, big planes and all of this activity at the International Airport, I still would prefer to fly into the municipal. It really is a much more civilized airport to go to. I would really question what would happen to the International Airport because ever being the optimist, I really am hoping that at some point in time we still will be allowed to go back to the municipal airport.

Thank you.

The Acting Speaker: The hon. Member for Edmonton-Castle Downs.

Mr. Lukaszuk: Thank you, Mr. Speaker. I just wanted to take briefly the opportunity to support the Member for Leduc-Beaumont-Devon's motion. We have heard many comments about Port Alberta. Most of them happen to be very positive, and I also support this concept. There are many benefits that would come not only to Edmonton, not only to the capital region but to all of Alberta and, frankly, to all of western Canada once the concept of Port Alberta is realized in its fullness.

Aside from the benefits that our colleagues here in the Legislature have identified, what needs to be pointed out is that having Port Alberta would give us the ability to create a tax-free zone within Port Alberta. That is of enormous benefit and could be of enormous benefit to western Canada. Just imagine, Mr. Speaker, if a large distributor in Canada or North America could bring goods and store them in a warehouse in Port Alberta and only have to pay duty on the contents of the warehouse as they release them and then sell them and distribute them throughout North America. Such concepts are well practised already throughout the world and have proven themselves to be magnets for becoming a mecca of import and export.

8:20

Also, Mr. Speaker, very often exporters and importers don't have as much of a profit margin as we often think they do, and any profit margin benefit that they could realize, they will seek out and they will gravitate towards. One of these profit margins that they seek out is the difference between importing and exporting goods assembled as opposed to disassembled. Duties very often vary on assembled goods versus disassembled goods. Imagine if we could maximize on that benefit by having materials delivered to North America disassembled and then having a large industry develop near and around Port Alberta where these goods can then be assembled into whole products and sold throughout the continent. That would be yet another way of diversifying Alberta's economy into many skilled and unskilled jobs for the capital region and for the province.

Mr. Speaker, it's very difficult to find arguments against having Port Alberta here in the province of Alberta, and I support this motion. I encourage the Member for Leduc-Beaumont-Devon to pursue this as this is a very noble cause for all of us, and all of us will benefit equally from this Port Alberta. We should never quagmire in the argument of whether it is on the north side of the

city or the south side of the city. Frankly, that's irrelevant. It's for the benefit of the province and for the benefit of the country.

Thank you.

Mr. Snelgrove: Very briefly, Mr. Speaker. I hope that when they have the discussion about what Port Alberta could mean to Alberta, people will think further than just the conventional planes that are coming now, the trains and trucks. I've attended several conferences on lighter-than-air technology, where they're working on airships that can actually transport very large vessels or large weights into the north, where you don't need a runway, where you don't need anything else to . . . [interjection] And there were no mushrooms for supper.

In fact, if we're going to be ahead of the world, we have to be ahead in the thinking. In actual fact, if we could open the north without the roads, that can't be built in muskeg, without having to count on winter roads, without having to make the huge environmental footprints that runways and jet airliners use, then the only thing cheaper than a large ship floating on water are large airships floating on air.

It would be wonderful to bring some of the research that's been done around the world, particularly at the University of Manitoba, and have them come to Alberta, where we normally think differently. We're ahead of the game. From an environmental-economic marriage, Mr. Speaker, the idea that we can centre Port Alberta somewhere in Edmonton, that it in fact could access all of the north, in many ways it would solve a lot of the issues we have with the Fort McMurray oil sands in that you don't have to use the conventional roads, with the limitations on rail traffic. These large, large vessels can be floated to their sites. There's work to be done, and this won't happen tomorrow, but if we're talking about the future, that should be one of the pieces of Port Alberta. The forward-thinking ingenuity that Albertans are famous for could be put to work, and we would truly again be the gateway to the north.

The Acting Speaker: Any other members wish to speak?

Mr. Hancock: With a minute left I'd just like to add my voice to those who've spoken in support of this motion. The concept of Port Alberta is one that's been around for a long time. The concept of being able to have a disassembly place where you can bring goods in externally or you can amass goods internally for export is a phenomenal concept and well positioned right here, where the railway, the airway, the roads cross.

The capital region has been a transportation hub for western Canada, with the port of Prince Rupert available to us as a direct line and, as one of my colleagues mentioned earlier, opening up the shipments from the north through Alberta. This is a very good concept. It's one whose time is not only due, but we need to move now to get ahead of the curve on it. I agree with my colleague the President of the Treasury Board in his comments that we need to look at other methods of transportation. This is an idea whose time has come, and Alberta should be behind it with our partners and the municipalities to make this happen.

The Acting Speaker: Do any other members wish to speak? The hon. Minister of Finance and Enterprise.

Ms Evans: Just briefly. I would like to support the motion and would like to further add that right now with the TILMA agreement, where we're looking with British Columbia at our partnership, and the fact that is often unknown, that Alberta was engaged in the financing in Prince Rupert – and we're still part of that team – I

think it behooves us to look at Port Alberta as one of the tools in the toolbox of further developing the north. I can see maybe a hundred years from today where the entire Northwest Passage refers to something that goes from Prince Rupert right through to Churchill and connects all the dots in between. So this is an opportunity for us to build one of those important pieces, and I'm totally supportive.

The Acting Speaker: Under Standing Order 8(4), which provides for five minutes for the sponsor of a motion other than a government motion to close debate, I'd like to invite the hon. Member for Leduc-Beaumont-Devon to close debate on Motion 504.

Mr. Rogers: Thank you, Mr. Speaker. I do appreciate the words of encouragement from a number of my colleagues, and I'd just like to speak briefly to some of the questions that were raised.

Again, Mr. Speaker, I just can't stress enough the scope of what is proposed here and the location. One of the reasons it's located at the Edmonton International Airport is the sheer size of this opportunity. We're talking about millions, many millions, of square feet of warehouse space and the logistical infrastructure to move vehicles and rail in and out of that site. I, frankly, don't think that there is another equally appropriate site anywhere in the capital region. Where it happens to be located is just that.

The opportunity is what is phenomenal for this entire region and for this province. The ability to bring goods coming from Asia, from Prince Rupert into the capital region, into the city of Edmonton, to repackage, reconfigure those products and move them by rail and rubber tire all across North America, by air to many other parts of the world – I'm just so excited that we have this opportunity right here in our midst.

We talk quite often about what's going to happen to the economy of this great province somewhere down the road, when the reliance on oil may not be what it is today. Here, Mr. Speaker, is another great opportunity to diversify the economy of this province as we go forward in a global economy, a world of globalized trade. We have the opportunity to seize some great momentum right here in the capital region, right here in this province of Alberta. I would strongly encourage all my colleagues and those opposite to support this motion.

I believe one of the colleagues raised the issue of security. I think another great reason to locate it where it is proposed, in a secure site at the EIA – the EIA is very secure for a lot of great reasons.

With that, Mr. Speaker, I would just thank all hon. members that have participated and lent their voices to this debate, even to ask some questions and some clarifications. I think this is a very, very fruitful debate for this province. I look forward to its passing, and I look forward to future support from our government and greater support from the federal government, the private sector, and the surrounding municipalities. I can tell you – it was mentioned by one of the speakers – that there's already great interest from the private sector in starting to move towards construction of these massive warehousing structures, to start moving this product.

Again, I thank all my colleagues, and I look forward to support for Motion 504. Thank you.

[Motion Other than Government Motion 504 carried]

8:30 Committee of Supply

[Mr. Mitzel in the chair]

The Deputy Chair: I'd like to call the Committee of Supply to order.

Main Estimates 2008-09

International and Intergovernmental Relations

The Deputy Chair: The hon. minister.

Mr. Stevens: Thanks very much, Mr. Chairman. It truly is a pleasure to be here this evening as the Minister of International and Intergovernmental Relations and to have one fan among my colleagues in the Assembly; two now. Thank you very much.

Before I make my opening remarks, I'd like to introduce the people from my ministry that are here this evening. Immediately to my right is Gerry Bourdeau, deputy minister. To my immediate left is Garry Pocock, assistant deputy minister. To my far right is Dru Mason, assistant deputy minister, and beside him is Mike Shyluk, director of finance and administration. Also, in the gallery are Daryl Hanak, executive director of trade policy; Mark Cooper, director of communications; and Peter Brodsky, my executive assistant. Thank you. They deserve more than that, but thank you very much.

We in Alberta truly believe that we have the best, and if somebody wanted to argue with us, we would say among the very best international and intergovernmental relations. There is an advantage to having a continuity of regimes spanning some time in accomplishing that particular goal. If you're wondering what the advantages are of having ongoing Conservative governments in the province of Alberta, one of the things you would be able to point to is an outstanding IIR department.

I'm especially happy, Mr. Chairman, to be part of the Premier's team as Minister of International and Intergovernmental Relations during such exciting times in our province. My goal is to broaden Alberta's economy and secure our success both for today and tomorrow. Alberta's successes and our assets have grown to a point where we are clearly playing in the big leagues. This is clearly Alberta's time, but it's also a very competitive world that we are trying to succeed in. We need to step up to the plate, and we need an aggressive game plan and responsive budget to get the job done.

Our Premier has an overall plan, and in his mandate letter he has been very clear about how he wants me to lead my ministry towards our goals. Simply put, everything my ministry does this year must be focused on achieving one thing, and that is to position Alberta as front and centre in the global and national marketplaces. My ministry will present Alberta in a way that attracts investment, builds our exports, and helps attract the skilled labour we need to keep our economy growing.

Let me tell you about some of the things we're doing this year to accomplish that. We'll attract skilled workers by marketing Alberta as an immigration destination, and we'll do this through our international office staff and their local strategies by conducting specific missions aimed at attracting skilled workers, through ongoing support of employment and immigration initiatives, and by co-operating with other government of Alberta international missions.

We'll also build our workforce by improving labour mobility for B.C. workers in regulated occupations who want to move to Alberta. This will be accomplished under the Alberta-B.C. trade, investment, and labour mobility agreement. We recently introduced Bill 1 as part of the implementation of this agreement, and we're working hard to have the TILMA fully in place for April 2009.

Another of the mandates is to help position Alberta for the greatest success on the national and international fronts. Within Canada we'll do this by strengthening ties with our western partners, by working closely with them at the Western Premiers' Conference, and through special initiatives like the TILMA. We'll continue to advocate for Alberta with federal ministers and with delegations

from other countries. Globally we'll meet with our partners and foster relationships through trade and investment missions and by our 10 strategically located international offices. There are two in China and one in Hong Kong, Japan, Germany, Mexico, England, Korea, Taiwan, and Washington, DC. We'll also review the possibility of expanding our offices into emerging countries with growing economies.

My ministry will also lead the development of a government-wide strategy to advance our global interests and address challenges and opportunities in a strategic manner. We'll use this initiative to strengthen our international presence, and we'll use it to help grow our value-added exports to new and emerging economies in countries like China.

We'll also pursue Alberta's interests internationally in multilateral trade negotiations and in Canada's other bilateral free trade negotiations. We'll ensure that Alberta's interests and priorities in these negotiations are conveyed to federal negotiators and reflected in Canada's approach to these negotiations.

Within my ministerial mandate the Premier has also directed me to enhance value-added activity and increase innovation. To accomplish this, we'll do a number of things. This includes partnering with the Ministry of Advanced Education and Technology on the Alberta international partnering program. This pilot program will target international markets like California, greater China, and possibly India. The focus is to help increase the reach of Alberta's international business ties and to enhance commercialization opportunities for the small- and medium-sized information and communication technology companies.

My department will also partner with other government ministries and industry to participate in Bio 2008, the largest biotechnology gathering in the United States. We'll be there to position Alberta as a leading Canadian biotechnology centre, we'll showcase Alberta companies and institutions, and we'll support Alberta companies in their efforts to attract skilled workers and identify potential financial and business partners.

Mr. Chairman, my department will also seek to find new markets for value-added food products in our agrifood business. We'll do this by working with agriculture to market awareness at seminars that promote our value-added products in our priority markets. These include products like canola oil, pork, beef, and pet food.

We'll also enhance the promotion of Alberta's first-class technology equipment and services in the oil and gas and environmental sectors.

You can't talk about Alberta's export products without talking about oil. Right now while much of Canada trembles, weakening with every aftershock from the economic quake in the United States, Alberta stands strong. We know that oil and gas underpin our success, and the value of our resources helps stabilize the rest of the country. There's a great deal at stake not just for us but for all of Canada, and that's why it's important that we let the world know, especially the United States, that Alberta represents a secure, growing, and environmentally responsible supply of energy. This is the objective of the newly struck ministerial working group on energy and the environment. The role of this committee is to ensure our success as a global energy leader. We'll work across government to ensure we act as leaders in the way we develop our energy resources and also that we act as leaders in the way we look after our environment in that process. One cannot happen without the other. It's a nonnegotiable commitment. We've made it to Albertans, and we've made it to the world.

Those messages will be part of a broader strategy to brand and market Alberta's position as a leader in culture, research, and economic development along with energy and the environment.

Mr. Chairman, our budget this year reflects the work we'll do as a ministry towards the mandates I've outlined today in addition to others. To work toward these over the next year, we have examined our budget needs and calculated a spending estimate of \$29.19 million. That is an increase of 4 per cent, or \$1.168 million, over 2007-2008. The majority of the increase supports staff salary adjustments due to negotiated settlements. This year's budget also reflects an increase of \$250,000 to enhance funding for investment attraction, a function that has been transferred to my ministry from Employment and Immigration.

8:40

Mr. Chairman, this ministry has worked hard over the years to create opportunities for Alberta through trade negotiations, agreements, and missions. We've also engaged in strategic national and international governmental relations. These efforts have opened doors and have made Alberta a strong competitor within national and global markets. Our work has also helped Alberta earn the coveted position as the greatest economy in North America. I know our plan for the coming year will ensure we not only sustain this success but build on it and secure our position in the lead for the long run.

Thank you, Mr. Chairman.

The Deputy Chair: Hon. Member for Lethbridge-East, you are sharing the 10-minute periods for a joint 20 back and forth?

Ms Pastoor: Yes. Thank you.

Thank you for the overview of the ministry. I look to my right and left and I don't really see anybody sitting with me, so I guess I'm on my own.

It says on page 190 of the business plan that the ministry's mission is to "advance Alberta's interests by leading government-wide strategies that capitalize on Alberta's regional, national and global relationships and opportunities." One of the things is advancing Alberta's interests in China and India. My question on that might be: exactly what kind of plans and interests are you looking at? Is it only oil? Presently what is our balance of trade with China?

Also, on TILMA, how much money in the budget is actually being spent on TILMA and the related issues that go forward with it? On TILMA itself, as I've said many times before, the concept is a long time in coming, and it is a really good, positive move. Again, I'm still hearing from people who are really concerned that they will go to an appeal board after the fact of the legislation to find out that elected persons who have made decisions may well be overruled by someone who is not elected. That does still remain a concern out there.

Another question I would have. I've asked about TILMA-related issues, but specifically I would like to know how much of this money is being spent on information programs not just for the public but actually for some elected officials? I was speaking with some people in southern Alberta who they had no idea, and these were elected people. In a meeting they said, "What's TILMA?" which, actually, quite surprised me. I'd like to know how much money and just how we are getting that information out to them.

On the amendments, what is this ministry doing with the members of this Assembly as we attempt to make TILMA compliant? There are many areas, I believe, that it has to become compliant and to work with B.C. The deadline is April of '09. Will we meet that deadline? How much of this discussion will actually come back to this House? There are other points of view that probably could be expressed.

Perhaps if I just left it at that for the moment, we could go forward with that. Is that okay?

The Deputy Chair: The hon. minister.

Mr. Stevens: Yes. Thanks, Mr. Chairman, and thanks to the hon. member for her good questions. I can tell you that what I'll do is give you a response here this evening, and to the extent that we have areas that I don't touch upon that you've asked, we will follow up with a written response later in the usual custom of the Assembly.

The first question was with respect to China and India. I can tell you that we do have interest, as I noted in my opening remarks, in emerging countries with growing economies, and certainly China, India, Russia, and Brazil would fall into that category, the BRIC nations. We currently have two of our offices in China proper. There is a third one in Hong Kong. The two in China are in Beijing. One would be a standard office. The other is connected strongly with the oil and gas industry.

There was a report that was done last year dealing with a review of the foreign offices. That report has not yet been released. I'm currently working it through the process. It will be released in the not-too-distant future. It will touch on those kinds of opportunities; that is, opportunities for expanding our presence in markets like China and India, certainly like India. We already have a strong presence in China at this point. It certainly does include far more than oil and gas regardless of where you're going. We have interests in agriculture, in technology. We have interests where appropriate in attracting skilled labour and investment to Alberta. So those are some of the areas that we're looking at there.

I don't have a specific number dealing with how much we are spending on the TILMA process. I can tell you that typically what the department does is that it assists other ministries that are involved in this particular process, and we meet with affected parties. For example, you've got issues with respect to procurement relating to municipalities, so there are meetings with the AUMA and the AAMD and C. When you referenced the fact that you had been talking to elected officials and they didn't know what TILMA is, I can tell you that a great deal of time has been spent with AUMA and AAMD and C. I guess part of me says I'm surprised that the membership of those two organizations wouldn't know what TILMA is at this particular point in time.

The discussions regarding the issue go back to, I think, about 2002 or thereabouts. The agreement itself was dated 2006. We started down the road towards compliance in April of 2007. We're halfway done now. Bill 1 in this session related to matters that we thought were necessary at this particular point in time in order to reach the April 2009 compliance date; in other words, they were legislative changes that were necessary at this point in time in order to accomplish that. There's the possibility of some minor legislative changes between now and the spring of 2009, but I can assure you that from a legislative point of view the ones that we have identified that are necessary are before the House at this time.

Some of the other things that we're doing in order to become TILMA compliant would be that there would be a regulatory aspect, so there will be some regulations that I'm sure will change. People have identified regulations that need to be harmonized between the two jurisdictions, and there are people who are working on that. There are some 100 occupations that are regulated in both provinces. What is happening there is that the bodies that are responsible for the regulation are working with one another and between themselves, entering into an agreement, if you will, that reflects what is necessary in order to become TILMA compliant. For example, teachers have entered into that arrangement; chiropractors have entered into

that arrangement. As I understand it, both of those professions are compliant at this particular point in time and can move between the two jurisdictions.

There will be some areas where the TILMA itself, that is the agreement, will be amended in all likelihood in order to reflect some compliance. So that gives you some idea. It's not just legislative; there's also a regulatory piece. There are also agreements between regulated occupations and perhaps some amendment of the original TILMA agreement itself.

8:50

The Deputy Chair: The hon. member.

Ms Pastoor: Yes. Thank you. The reason I even asked the question was because I was very surprised when they said that they didn't know what it was either. Certainly, I've been talking about it a great deal, and it is starting to be talked about a little bit more. I think probably what's happened is that, really, a lot of the TILMA information is going by word of mouth as opposed to, actually, solid documents out there. I know that there is the little booklet that's been handed out that's fairly comprehensive, but I'm just not sure how much that's been spread through the province.

One other question occurred to me about China. I think it was about two years ago when I was at a conference here in Edmonton with PNWER, and there was quite a delegation from China who was very interested in – actually, I couldn't quite get whether they wanted to start it there or whether they wanted to start it here – the technology of clean coal. I'm wondering if we are working with that or if they're bringing our technology or if there's a sharing of technology. The presentation was quite quick, and some of it was done by translators, so I'm not sure that I totally got it. I just remember, in the back of my head, that their delegation was really interested in clean-coal technology. I believe that China has huge coal deposits as does Alberta.

I guess I would just like, perhaps, the minister's thoughts on his recent trip to Washington. It probably was bad timing, for lack of a better way of putting it, but do you feel that because of sort of what happened, the major attention was being paid to the environment? How successful were you on the secondary marketing of our products from here in Alberta to go to the States, and when you were actually down there, did you spend any time with environmental groups at the table, or was it just sort of outside pressures that were going on?

The core business goals and strategies. In goal 1 on page 191 it deals with the development of strategies and policy options in concert with other ministries, Alberta's key intergovernmental objectives. Some of them are working with ministries and other organizations and even other governments. You did speak on that just in your last remarks, but I'm wondering: when you speak about harmonizing with other jurisdictions, are you actually working directly with municipal councils and school boards, both of whom I think are elected? When you speak of harmonizing jurisdictions, is it just federal-provincial or is it actually provincial-municipal as well to harmonize some of the legislation that they've got on their books? And how would it harmonize, particularly in how they conduct business and who can come into their jurisdictions? Again, I guess I would ask if some of these strategies would be coming back to the House.

Goals 1.1 and 1.2 mention Alberta's key intergovernmental objectives and intergovernmental interests. Exactly what are those?

On 1.2 what is the co-ordinated and consistent government-wide approach contemplated? How is that actually going to play out?

Strategy 1.5 advocates working with northern and western

provinces to advance common interests. Has this relationship been sought by other Canadian jurisdictions, and who has Alberta approached? You're talking about the northern and western provinces, but who has come to Alberta to talk about TILMA? I would suspect that TILMA will have far-reaching effects through the PNWER organization as well. What are some of the common interests the ministry has examined?

At 1.7 what are the ministry's current policy recommendations on national unity?

I think I'll leave it at that and go on to goal 2 after.

The Deputy Chair: The hon. minister.

Mr. Stevens: Thanks, Mr. Chairman. On the TILMA matter we have a TILMA website, which is excellent, and I would recommend that you and anybody who's interested in understanding TILMA and getting to know more about it visit the website. Once again I can tell the hon. member, Mr. Chairman, that representatives of this government with the assistance of folks from IIR have often spent innumerable hours talking about TILMA with affected parties. This has been an ongoing issue for certainly the last 18 months. Very, very intense. A lot of work has been done. Obviously, more will be done. We will continue to get the message out. But as the hon. member knows, having been in this House for some time now, you can get the information out there, but it doesn't always get absorbed. There are still people who don't know that we have a heritage trust fund, for example, and, you know, that underscores for me the challenge of ultimately communicating with everybody that needs to hear the message.

With respect to China and clean-coal technology we think we have an excellent opportunity here in the province because of, for example, 60 per cent of our energy being created through coal burning to, you know, enhance clean-coal technology. The Chinese do want our technology, and I am advised that we are working with them to help them develop their resources in this regard. I also believe I saw a statistic that in China on a more or less weekly basis a coal-generated power plant is built and opened. They are huge consumers of energy, and that energy is in large measure being based upon coal as the fuel of choice. So there are wonderful opportunities there, and clearly we have as part of our climate change policy a program which will have us spending dollars and incenting that type of technology to be created. We think it's a good thing for the world because as we develop it here, we can spread it around.

Dealing with TILMA again and the Pacific Northwest group, I'm sure that there will be discussion with that group, bearing in mind, however, that U.S. states really are in a different category than the provinces. I can tell you that we have received over time interest in understanding TILMA more from the Yukon, I believe the Northwest Territories, Saskatchewan. Ontario, I believe, has contacted us and, I believe, New Brunswick. So there's been an expression of interest. I understand that perhaps Ontario and Quebec have each hired negotiators to embark upon something that sounds TILMA like, in other words a bilateral agreement, to deal with some aspects of this.

We have the agreement on internal trade that goes back to the mid-90s. It really has been the subject of some disappointment over the years because it's stuck in time, and of course our world has become globalized. Since then we've had 9/11, a whole bunch of major events. NAFTA has really come into its own; it was in '94. So the world of trade has changed dramatically, and there are ongoing discussions as we speak; in fact, another meeting of the provinces and territories regarding AIT in the next month or so to

talk about potential changes to the AIT to liberalize it. We'll see if something comes out of that.

9:00

We are interested. The Premier has indicated that he wants Alberta to be part of the new west, to lead the new west, and part of that new west, obviously only with the co-operation of people who wish to be part of it, is to expand the concept of TILMA beyond B.C. to other jurisdictions because we see it as an advantage to have a larger, free-flowing economic region. As you know, TILMA creates a region of in excess of \$400 billion in GDP and almost 8 million people, so it is a significant thing.

The Washington trip, dealing first of all with whether or not I met with environmental groups. The Premier, when he was in Washington in January, was approached by environmental groups . . . [Mr. Stevens' speaking time expired]

The Deputy Chair: The hon. Member for Lethbridge-East.

Ms Pastoor: Thank you. I think what I might do is just ask the minister to continue with the answers, and then I'll go from there. I would just point out that I thought I heard the word "liberalized" over there.

Mr. Stevens: To the hon. member: it's a small "l" liberal.

Ms Pastoor: Oh, okay.

Mr. Stevens: Indeed, in the history of economics and economic policy there was a time when our parties were on opposite sides of this. Of course, we now stand for liberalization, and you do not, so there we go. But that's history.

The Premier was in Washington, DC, in January of this year and made a promise at that time that we would send representatives down to provide information to the environmental groups on climate change, the oil sands, and environmental considerations. That, in fact, was done I'm going to say a month or five or six weeks ago now. It had been done within a month of my going to Washington.

We sent down a number of officials from I believe Energy, Environment, IIR, and there might have been another ministry that was involved. The purpose of that trip was to send people who had in-depth, detailed information with respect to our environmental policies. They, in fact, did meet with environmental groups, as promised by the Premier in January. So when I went down, say, two or three weeks later, I did not meet with environmental groups because they had been briefed in depth by the officials who had preceded within a month.

The importance of the Washington trip can be summarized as follows. We are as Canadians the number one energy supplier to the United States, and as Alberta we are the majority supplier of oil and almost all of the natural gas, a huge percentage of that. So in terms of where it comes from in Canada, Alberta is, for the most part, the place.

In the last year or two there has been a growing interest in the environmental aspect of this, and that has given rise to things in the States such as section 526 in a federal piece of legislation that, it has been suggested, would in some fashion limit the sale of oil sands product to groups like the Department of Defense in the United States. There's also the low carbon fuel standard legislation and policies that are emanating out of California with a great deal of interest, at least at a high level, by other states and, indeed, some of the provinces here in Canada.

What we want to do is ensure that the decision-makers and others

in the United States are familiar with the oil sands and the environmentally responsible policies that we have towards that. We want to tell them about our climate change legislation, our climate change policy. When Murray Smith went to Washington in 2004 or thereabouts, his goal was to have the oil sands recognized. At that point in time they were not recognized as a proven reserve for oil in the world, and Murray Smith was very successful in getting that accomplished.

Today the oil sands are recognized as having something in the order of 175 billion barrels of oil as a proven amount and some 10 times that amount as possible or probable if technology changes. In any event, the issue today is to talk to Americans and to people throughout the world, for that matter, about the fact that the oil sands do have this ability to supply on a secure, reliable basis a huge amount of oil but that it's also being done in an environmentally responsible fashion.

It's a global world. The information with respect to these things now is communicated rapidly. We all have access to the same information if it's out there. My trip to Washington is but one of many trips that are going to be taken by the Premier and other ministers, particularly the Minister of Energy, the Minister of Environment, the Minister of Sustainable Resource Development, ministries that are connected to this particular issue. When they go about, they will be talking about, among other things, the greening of our growth in this province, the wonderful opportunities that we have here with respect to addressing the issues of climate change, the legislation we have that establishes this fund which will allow for us to develop projects and to fund research and the like. We are definitely ahead of other jurisdictions in Canada and, indeed, in North America in addressing the issue of climate change. So that's one of the messages that we're talking about.

Now, when I talked about harmonization, I was really talking about TILMA – that is, harmonization of regulations between B.C. and Alberta – because we have this obligation to get TILMA in place by April of 2009. It's a matter of ultimately sharing with other jurisdictions the advantages. My own personal view is that simply by working on TILMA over the course of this next year and accomplishing what we have said that we will accomplish, which is that TILMA will be fully operative and in place as of April 2009, we will send a message to others within Canada that it is doable, that it is an advantage. We will give them a beacon, if you will, to work towards when they're talking about changes to the AIT, the agreement on internal trade.

Indeed, I was at a federal-provincial-territorial meeting at the international level, and the question of a bilateral with Europe came up. Whoever was speaking to it at the time said that it was not on the Europeans' list of things to do, and the reason it wasn't is because they recognize that Canada is very difficult to deal with. The reason that Canada is very difficult to deal with, in their perspective, isn't the federal government per se. It's the fact that within our Confederation we have all of these impediments between the provinces relative to trade. So the Europeans indeed, at least some of the Europeans, are watching with interest what we are doing here. You may be aware, but it was not that long ago that *Economist* magazine had an article which specifically dealt with this and held it out – that is, TILMA – as a real sign of opportunity and progress for provinces in addressing these natural barriers that we've built up relative to trade and mobility and investment within our country.

9:10

Ms Pastoor: Thank you for that. I appreciated the information on Europe's take on why we're difficult. I hadn't quite thought of it in those terms.

In goal 2 on page 192 it deals with the development of a strategic approach to international relations and effective promotion of Alberta in other trading. It talks about Alberta and the U.S., but in what other areas are we actually reaching out to try to make these different agreements? In 2.2 the minister is going to build alliances with key regional U.S. decision-makers. Who are you talking about, and at what level have you been working? After working on the previous Bill 1, is the minister an organizational lobbyist or a consultant lobbyist?

The Deputy Chair: The hon. minister.

Mr. Stevens: Well, thanks, Mr. Chair. Within our caucus, you know, I would just be one of the members, so really it's only within the caucus I meet the lobby.

I think that in terms of who we're reaching out to to talk about Alberta, whether it's the oil sands and the environmentally responsible way that we deal with development of it or matters of trade or investment or the attraction of skilled labour to this province, we will be dealing with people at many different levels.

Take the United States, for example, on the oil sands and the environment. Washington, DC, is obviously an important place because so many people go there. We have an office there for that very reason. There's federal legislation that can be passed, which has an impact. I referred to section 526 that is out of a federal piece of legislation. Many of the groups that you want to talk to there, whether they're environmental or lobby groups of some form, are located in Washington, DC, or they show up in Washington, DC, so you can meet them there.

That's not enough. If you take the top 25 destinations for export of our product and if you considered states to be one of those, 20 of the top 25 top exporting locations for Alberta product are states in the United States. Individual states are very, very important to us. Individual states develop their own policy. They have a system where there's a separation of powers. I referred in earlier comment to the low carbon fuel standard initiative that's coming out of California and that has interest in a number of the states. Obviously, we have interest in talking to those states about the oil sands, what they are, so we will take opportunities that arise there.

There are governors' conferences, there are western governors' conferences, so we would take advantages there. PNWER, for example, has elected representatives on that group, and we will take opportunity as it may come up to talk to people like that. At that level we will talk to elected officials; we will talk to business leaders.

There was a group that I met when I was in Washington that was set up, a Canada-United States business council, and the representatives on both sides of the border have a keen interest in all things that are done between our two countries. They recognize the importance of a secure, reliable energy source for what they need to do. It's a group like that – and I use them only as an example – that you would talk to because they are influence-makers at a certain level within the business community. So we will be taking whatever opportunities come up to talk to Americans, to talk to people around the world as our ministers go out and meet with elected officials and with civil servants in various countries and the business and academic communities.

The Deputy Chair: The hon. member.

Ms Pastoor: Thank you. I understand that they do have a different system. They have a federal system as well, which is sort of like our federal system. Has the work been done at the federal level as well, past the governor level?

Goal 4 is primarily with Alberta's export capacity, the marketing of our goods and promotion. In strategy 4.1 what assistance would the ministry provide Alberta businesses? In 4.3 it identifies targeted companies within priority sectors. Who are the companies, and what sectors of the economy do they represent? I think that at this point in time we're all aware that the beef and pork industries are certainly hurting. Would these be targeted companies that the ministry might be working with? Would it be a priority sector at this point?

I've been listening to the talk about Port Alberta. The Member for Lethbridge-West and I were thinking how this might affect southern Alberta. One of the things that we have in southern Alberta, which is definitely a targeted company, or it should be, is the fact that we have a horsemeat packing plant, and my understanding is that there are no horsemeat packing plants in the United States anymore. Needless to say, this is basically a European export. I'm not sure that we want to go down and try and change the taste buds of the Americans. It can be a huge industry, and I'm wondering if that's one of the targeted companies.

The 4.5 strategy is to cover temporary foreign workers. What is the overall cross-ministry approach to these workers? My questions around that would be: would the temporary foreign workers that we have remain temporary foreign workers? Do they return to their home countries? What would the average stay in Canada and the United States be? Part of the question I think is based on the fact that in the paper the other day – there are 41,000 people who should have been deported that are wandering around our country. I'm just wondering what kind of information we have on what we would call temporary foreign workers.

Mr. Stevens: You asked about some of the areas that we work on with Alberta businesses in the international offices. This is by no means a comprehensive list, but some of the areas would be energy, environmental products and services, agrifood, building products, aerospace, and information communications technology. I can tell you that we recognize that there are certain strengths, and I think that our energy would be in the areas where we think that there are strengths and opportunities. You measure the two together. We firmly believe, for example, that we have wonderful opportunities to assist our companies in selling their technology, their services, their goods in the energy and environmental products area. Indeed, we have some wonderful opportunities in aerospace.

The offices that we have – and I've outlined, I think, in my opening remarks where they all are – provide timely business and economic information. They support export-ready Alberta business, generating and facilitating investment leads, showcasing and marketing Alberta abroad, promoting the province as a tourism destination, providing business information to Alberta decision-makers, and promoting Alberta to skilled workers. Those are kind of the general areas that people work in. A specific example of this would be a partnership between the Alberta government and the China National Petroleum Corporation, which organized the first World Heavy Oil Conference in Beijing in 2006. The city of Edmonton hosted the second such conference in March 2008, and the Premier gave a keynote speech at that conference, which was attended by over 900 delegates. So that's an example of an initiative which two years later bore fruit in the sense that it was held here in the province, lots of folks were here, and we were able to showcase our product on the ground right here in Alberta.

9:20

Other examples would be: food promotion events helped Alberta beef capture 27 per cent of the Hong Kong market after it reopened to Canadian beef imports, and job fairs in Germany promoted

Alberta opportunities to skilled workers, attracting more than 500 resumés and leading to more than 300 interviews by Alberta employers. So those are on-the-ground examples of how those offices can assist Alberta companies.

The Deputy Chair: The hon. member.

Ms Pastoor: Thank you. One of the questions that you may have answered and I didn't write down the answer for was on the balance of trade between China and Alberta. I don't know if we have numbers on that, what the percentage might be.

Was there any discussion in terms of value-added that we would be able to get some of the upgraders in western Canada as opposed to Illinois and some of the places that, from my understanding, are already almost certainly on the boards and ready to go?

The Deputy Chair: The hon. Member for Calgary-McCall.

Mr. Kang: Thank you, Mr. Chair.

The Deputy Chair: Hon. member, are you going to share your time with the minister back and forth for the 20 minutes?

Mr. Kang: Yeah, I will.

In the discussion, you know, we've been hearing, Mr. Minister, about China. We have trade offices in China. There hasn't been much said or done about India. I came from India in 1970. It's a totally different India today. I was there last year. At the time in a village of, say, about 500 or 600 people there was only one tractor and maybe two motorbikes, and now every household has a tractor, a car, maybe three, four, five motorbikes, scooters. There's a big demand in India for oil, and there's a big demand there for agriculture. We could do lots of business in the agriculture sector. We could do lots of business in machinery. You name it; the demand is there.

I think the big benefit we have is that the judiciary is in place. Maybe people don't speak English as fluently or as clearly, but you can go to any part of India, even if you were to walk into a remote village, you know, and you can have somebody who can assist you in English. I think we should be doing much more trade with India, too.

With the developing countries, you know, I think our economy is only going to grow so much because we have come to the saturation point, whereas we have almost a billion people in India and almost 400 million people who are almost millionaires. Then we have the middle class and, you know, the lower class. There's much more room for the economy to grow. I think we can do much more over there, and you haven't really expressed anything about doing anything in India quickly.

All the other countries you named – Japan, Germany – have gone into India and have set up all kinds of shops and are doing business in India. I think that from a Canadian perspective and, as far as I'm concerned, from Alberta's perspective I think we are lagging way, way behind, and it's like missing the boat. I think we should be, you know, spreading our eggs around to different countries. Before, I think we were just depending too much on the U.S. economy. The saying was: if the Americans sneeze, we get pneumonia. I think we should get away from that, and we should be spreading our trade around to different countries. I think the focus is much more on China now. China. China. China. We can go to other countries as well so that if something happened to the Chinese economy, you know, we still won't get hit as bad. Now we are concerned about the U.S. economy slowing down, a recession coming there. You know, it sends jitters in people here, too.

I think the minister hasn't really said much about India and the temporary foreign workers coming here. We can collaborate with the nursing schools there, the technical schools because all the infrastructure is there. All we have to do is just assist them to bring their level of education to our standard. We've got, you know, a big market there for temporary workers. We can bring nurses. We can bring doctors. I don't think it will take much. It won't cost us anything because they will do everything there to get the graduates out of the schools. We're going to reap the rewards. Not only us; they will reap the rewards of that education, too. It will make it much easier for those workers who come here. You know, we can do away with the language barriers. We won't have to put them through the schools here because they will be all trained. When they come here, right away they go to work. So I think we should be looking into those kinds of propositions with those schools.

The Deputy Chair: The hon. minister.

Mr. Stevens: Thanks, Mr. Chairman. I agree that India is a wonderful potential opportunity. I didn't want the hon. member, because I haven't talked about India that much, to come to the conclusion that we don't see India as a wonderful opportunity or that we haven't done things in India.

I was in India in 1994, so I've been there. I believe that India has changed quite a bit since then. My daughter was with me in 1994. She just came back from India. She tells me that since she was there the first time and now an update, to her eyes India has changed a lot in those intervening years. I thought that India was a wonderful opportunity in 1994, so it's probably even more of a wonderful opportunity today.

I indicated in a response to your colleague that we are interested in emerging economies that are growing, the BRIC economies. That's Brazil, Russia, India, and China. These are all on our list of places that we have interest in. We have a large number of people in this province who have Indian heritage, that have language beyond English that can be used back in India and Pakistan. Those are natural advantages that we have. The hon. member is quite right about the fact that English is one of the recognized languages in India. The fact that they have an English judicial tradition is very, very important. It is a place that lends itself to doing business there. I can assure you that a part of our go-forward plan will be to take a serious look at doing more in India.

To say that we have done nothing would be wrong. I can tell you that in Washington, DC, Gary Mar is currently our Alberta representative there. We have someone who is assisting him, and that person has been with the Alberta government, I'm guessing, for at least 10 years or thereabouts. He, as a result of working with this government, has been to India I believe more than 10 times. So that's one of our officials that has actually travelled to India on government business more than 10 times. It wasn't my job to find out all of what he was doing there, but I do know, as a result of a chat with him, that he was on government business on all of those occasions.

I agree with you, hon. member, that India is going to be a wonderful opportunity. I have no doubt that as we develop our strategic international initiatives, India will be front and centre.

The Deputy Chair: The hon. member.

9:30

Mr. Kang: Thank you, Mr. Chair. I didn't mean to say that we haven't done anything in India, but you know I think we haven't been on top of things, per se. I think we should be doing much more to go into India. We can have an office there. We were talking

about the temporary foreign workers. From our office we can actually process those applications, and we can bypass those brokers and all those agents we're having problems with. Although it may be under the federal immigration program, I think we can have some kind of deal with the federal government immigration department so we can process those applications directly, where people can come and they can apply to an Alberta office and their application can be processed there. That will help everybody. That will solve all the problems we have with the foreign workers when they come here, because lots of brokers charge them lots of money on the other end, too. Those poor people pay lots of money when they come here for a two-year permit. They can't get their money back.

Okay. I see in here that it says that the overall budget has decreased by \$7.7 million, or by 12.9 per cent. If you're doing all the work for promoting Alberta to all the other countries, we have to spend money, so I don't know why there was a decrease in the budget here. That's my question.

Mr. Stevens: I'm sorry, hon. member. Could you repeat the question?

Mr. Kang: Priorities for the ministry include promoting international trade and a diversified Alberta economy. It says in here that overall the budget has decreased by \$7.7 million and 12.9 per cent, so I don't know where the decrease in the budget was. Is this your spending budget?

Mr. Stevens: What page, hon. member, are you referring to?

Mr. Kang: Okay. I'll get back to you on that.

Further, going on to the softwood lumber issue here, the softwood lumber agreement signed in 2006. Lots of complaints have been about the softwood lumber and I think have been just going back and forth, back and forth. What is Alberta's role in these cases, and what is the government's position on the agreement now that some time has passed and the timber market has faced difficulties?

Mr. Stevens: I can provide some background for the hon. member relative to this matter. The Canada-U.S. softwood lumber agreement 2006 has been in force since October 2006. Prior to that, Canadian softwood lumber shipments to the United States were subject to countervailing and antidumping duties at a combined rate of nearly 11 per cent. Duties have been as high as 28 per cent. The agreement certainly is not perfect, and you're right that there are ongoing issues, but it does give us managed trade, not free trade. Its entry into force coincided with the rise of the Canadian dollar and the slump in the U.S. housing market, and there are certainly a number of areas where Canada and the U.S. do not see eye to eye on how to interpret the agreement.

The advantage, at least the initial advantage, under the agreement was that over 80 per cent of the duties that the U.S. had collected on Alberta lumber were refunded. My memory is that that amount was some \$5.3 billion, so it was not an insignificant amount of money that we were talking about, and the lumber companies here in Canada definitely were in need of having those dollars repatriated.

This was an agreement that was entered into between Canada and the United States. The role of IIR was to assist the Ministry of Sustainable Resource Development, that is responsible for the subject matter of timber and lumber here in the province of Alberta. So we provided assistance in giving advice to Canada on what we thought should be part of this. We continue to monitor the matter, and as issues arise, we work with SRD in providing a comment to the federal government regarding the issue at hand.

It's one of these areas where we will continue to work with the Alberta lumber industry to try and ensure that the implementation of the agreement goes as smoothly as possible. Having said that, there's no doubt that there are some bumps along the way. I think, indeed, as we speak, there are some ongoing disputes between Canada and the U.S. based on a U.S. challenge to Ontario and Quebec assistance to forestry companies. Fortunately, Alberta is not subject to any such complaints by the U.S., but there are, without a doubt, issues on an ongoing basis that need to be monitored.

The Deputy Chair: The hon. member.

Mr. Kang: Thank you. The overseas trade offices have been overbudget in spending. The South Korea office was 30 per cent overbudget two years ago. Historically the offices have been overbudget. What tangible benefits do these offices bring overall? What measures is the government using to check those benefits? Do we get some kinds of reports back why the budget went over? Does the minister still consider them necessary?

I think that'll be it. Thanks.

Mr. Stevens: The issue of overbudget that the hon. member referred to going back some years apparently related to a locally engaged employee – that is, local to the country in question – and had something to do with a relationship with the federal government and something to do with the special circumstances of that case. I'm advised that the arrangements that gave rise to that issue have since been resolved. It ought not to happen again. As a general proposition I think it's fair to say that we don't operate our offices in an overbudget situation. That was a very special situation.

As it relates to these offices, in an earlier answer I indicated that they help Alberta businesses and organizations make valuable connections. It supports the Alberta businesses doing business there. These businesses could also be attracting, as the hon. member pointed out, labour for the Alberta market. So it depends on the nature of the business, but these offices are there to help Alberta businesses in the community in question. They provide contacts. They provide information. They understand much of what goes on on the ground in that country and can be of incredibly valuable assistance. Once again, it depends on the nature of the people seeking the assistance as to what specifically is provided.

9:40

Mr. Kang: Okay. Coming back to TILMA on this now, are we going to have two parallel ministries, like TILMA and, you know, International and Intergovernmental Relations, or is TILMA going to fall under your ministry? What kind of effect is it going to have long term?

Mr. Stevens: TILMA is the responsibility of this ministry, so on a go-forward basis, unless responsibility is shifted to some other ministry, the agreement will be the responsibility of this ministry. Once again, we provide assistance to the ministries that have the subject matter in question. For example, Municipal Affairs is one of the ministries that has a significant subject matter. Energy: in Bill 1, for example, there's a piece that deals with the ERCB, so they have involvement there; we work with them. But as it relates to TILMA, generally speaking, this ministry is and will be responsible going forward.

The Deputy Chair: The hon. Member for Strathmore-Brooks.

Mr. Doerksen: Thank you, Mr. Chairman. I'm pleased this evening

to hear the report that the minister has given and certainly want to express my strong support for the initiatives that are undertaken by the Department of International and Intergovernmental Relations. I think that's a very key effort by our government and our province and certainly want to support and voice my support for the kinds of things that we're doing through your department. I think it's excellent work and, certainly, key for the long-term success of trade in a whole range of products that Alberta currently produces and wants to produce in the future.

I've had the opportunity to visit and use the services of probably eight or nine of the international offices that as a province we operate around the world and, certainly, want to express my congratulations to the department for the quality people that we have representing our interests there. I think that in the context of the discussion that has already taken place here, there's a strong value in both the contacts that are created through having the presence in strategic markets but also in terms of assisting companies to understand context in terms of how to market into those countries. I think that's extremely important. Also, the TILMA initiative that is central to the discussions here, I think, is very important.

But, first of all, just to comment on the four priorities that are outlined in the budget, I think those are very important. From my experience in industry I appreciate the overview that they provide in terms of what our priorities are. I think those are very, very well presented.

Back to TILMA, I think it's extremely positive also not only in what the potential is for the relationship and the trade relationship between Alberta and British Columbia but also as we're able to extend that type of approach to Saskatchewan, Manitoba, and across the country. I think that's very important for us within this country but also internationally. Someone read recently that interprovincial trade barriers cost our country in the range of \$33 billion a year and, I think, also from my experience internationally, often transfer to an attitude that we take into international markets. I think that as we get our interprovincial trade barriers resolved, it will make us better international traders because too often we take kind of a regional approach into international markets that probably limits our long-term success there. Well, maybe not long-term even as much as short-term success in terms of seeing those markets for what they can provide for our province.

While I agree with the Alberta-first concept in terms of what our priorities are, that needs to be our priority, but much of the regulation and trade relation initiative is a federal initiative, so a strong understanding and buy-in at the federal level is extremely important to us. I guess the way I see this is that Alberta will thrive within Canada's success, and I think the TILMA initiative and what we do even through this department provides us an excellent opportunity to provide leadership where it's needed to urge the right actions at the federal level so that we have particularly the access that we need to have.

I think the minister talked about the fact that 25 of our important regions are in the U.S. I understand that, and I'm sure that's true in terms of agricultural products particularly, but I expect that in a number of other industries as well, non-U.S. international marketing initiatives, particularly in agriculture, we're never going to be large-volume suppliers into those markets. Success in those markets provides an opportunity to very much increase the value. If we don't have access to those international markets, we're going to sell in every other market at less than what the market value should be. When we have broad access to international markets, then we bring up the value of products in every one of our markets, and until that happens, we're selling ourselves short.

I guess a couple of questions, and then I'd be interested to hear

your response, and then I may have some more comments. What is your department doing to strengthen the federal initiatives toward both reduction of interprovincial trade barriers within Canada and then also to strengthen the federal initiative towards market access initiatives? I think that clearly one of the things that has been lacking in terms of the agriculture industry, at least, is clear and consistent access to markets. It's very often not a matter of marketing as much as market access. I understand that that's a federal initiative, but I think there's good opportunity for us to implement positive initiatives at the federal level.

The Deputy Chair: The hon. minister.

Mr. Stevens: Thanks very much, Mr. Chairman. I'd like to start out by thanking the hon. member for his kind comments with respect to the quality of the service provided by the department and its members. I certainly agree with your assessment.

With respect to TILMA and the federal government I can tell you that this current federal government is completely supportive of TILMA. They see it as a very positive thing. They will speak positively about it when the opportunity arises. They will tell other provincial and territorial jurisdictions that it is the right path to go down. So I can tell you, hon. member, that we have a friend on the TILMA front as it relates to the federal government.

Indeed, our Premier and I are optimistic that we will be able to make inroads with respect to TILMA with jurisdictions that are adjacent to us. I mean, obviously the ones you would look to would be the Yukon, the Northwest Territories, and Saskatchewan. It may not be TILMA specific; it might be TILMA lite. The TILMA started out with initiatives on the transportation front. It's one of the significant impediments that existed at the time. It's a good place to start because it can have immediate benefits. So we're prepared to consider something that is less than TILMA if that is what other jurisdictions wish to do.

Indeed, TILMA can be seen as just simply a bilateral adjunct to the agreement on internal trade, and it's set up so that other jurisdictions can sign on if they want. In other words, they can agree to the TILMA agreement simply by signing. That is the way the agreement on internal trade works. No one has suggested that, but as I indicated, there has been a lot of interest in other parts of the country.

9:50

Ontario and Quebec apparently are negotiating or will be negotiating something, and there has been discussion about the Maritimes entering into something like this. You start where you can. You obviously are going to deal with the people who are proximate to you immediately, and we will continue to proselytize relative to the value of the TILMA. I would imagine that we will have, as our good ongoing relationships with B.C. have led us here, a canvass after April 2009 as to where we can in fact expand upon the TILMA into other areas. Obviously, we want to reduce and eliminate barriers, reduce costs for our common residents and businesspeople, so that's where we're going to continue to go.

We have worked with the federal government relative to their negotiations at the WTO, the World Trade Organization. We have specifically looked at supporting a reduction in trade barriers in the agricultural area. That clearly is an issue in Europe. It's clearly an issue in the United States and elsewhere. I'm told that, you know, while things have gone very, very slowly, there still remains a possibility that as we go towards the end of this month, there might be some breakthrough. It's possible. The optimists out there certainly see it that way. The final informal deadline for a conclu-

sion has not yet been reached, so people continue to work on that, and we continue to support a reduction in the agricultural support programs that these other jurisdictions have which are detrimental to the free trade approach that we take on the agricultural front.

Mr. Doerksen: Thank you for those answers, Minister. I think that with regard to the NAFTA and the WTO particularly one of the things that we should be looking toward is a more nimble and more ready response in terms of using the dispute settlement mechanisms that are in place through both of those agreements. Now, I realize, again, that that's a federal initiative, but I think there's an opportunity for our province to kind of provide the push towards the federal government. I'm very optimistic, too, about the relationship that our current government has federally with regard to trade success. Certainly, there are examples of countries like Australia that I think have done a very good job of using those types of dispute settlement mechanisms to their advantage. Probably we need to do a better job of that over time in order to assure longer term secured market access.

One of the other things that I think is important is a strong partnership with industry toward the success of our investment in international markets. I'd be interested in some comments with regard to what we're doing to ensure that linkages with industry are strong, also in terms of identifying department priorities in terms of what's needed for specific industries or companies that are active in some of these markets.

Another area – and you have touched on it briefly – is the success we've had in Hong Kong. I think you used the beef industry as an example. One of the areas that I think has potential for us – although it's long term, I think it's still important – is the opportunity to continue to attract students into the Canadian market to get their education in Canada so that they at an educational level in their youth gain an understanding of Canada as a country and the kinds of standards that we keep here. With the example of Hong Kong and Macau in terms of the beef industry, the governor of Macau was actually educated in Canada, and interestingly that was the first country post-BSE to open to the beef industry for Canadian product. Subsequently the success that we've had in Hong Kong I would credit partially to the fact that we were there first. The Canadian industry got into that market six or eight months prior to the U.S. getting into that market, so we were able to establish a foothold there that has served us well. I think that's an example of the importance of having strong trade initiatives.

So I guess a few things. First of all, linkages with industry and then also using educational opportunities to ensure that we have a long-term understanding by foreign governments in terms of what our standards are.

Mr. Stevens: As always, the hon. member makes excellent comments.

The Deputy Chair: The hon. Member for Calgary-Buffalo.

Mr. Hehr: Thank you, Mr. Chairman. My questions are in a haphazard sort of manner, so bear with me. I'll try and spit out a few, and you can answer at your leisure.

I was just preparing for this, and I believe my colleague from Lethbridge commented on it as well. I remember as a child and even throughout the times, I guess, hearing about certain things, about China, the United States, growing trade imbalance, and all those things of that nature. I was wondering if you could comment on whether Alberta has a plan right now to get more of the value-added stuff done here in Alberta and whether that's going to lead to some

problems or whether there are perceived problems. In that regard the United States went down vis-à-vis China. If we have a plan to try and look over that and ensure that we're not only taking products in but ensuring our products are going back and of a finished nature: that's one question I have. That can relate, actually, to our other trading partners as well if you have any ideas on that front.

Another thing that I had recently come across might have been from reading something, or it could have been from the television. My understanding of our oil and gas exports is that as they go out towards Ontario; they virtually are nonexistent in that Alberta oil primarily goes down through to Chicago and Wisconsin. Then Ontario and the other eastern provinces purchase their oil – Alberta oil, basically – from the Chicago-Wisconsin markets, and it's transported up. One of the philosophies, I know, under 1.7 is to develop national unity, and your department is constantly looking to expand our markets. If there's ever been any talk with other governments, whether we're going to build more pipeline space out east to secure Canadians as well as Americans, as other parts of the globe with an oil resource, and whether these discussions had occurred, are you able to comment on those and whether that plan is in the works?

If we just start with those two, we can go from there.

Mr. Stevens: With respect to additional pipelines in Ontario or Quebec coming from the west, that type of thing is largely driven by the private sector, so you need someone who does that type of thing to recognize the opportunity. I know that a great deal of the eastern market is supplied by offshore oil. I believe Algeria, for example, provides the largest share, but you also have oil supplied from Venezuela, Nigeria. So there are a number of foreign countries that supply oil into places like Quebec and the Maritimes, and it's processed there. I'm not aware of any discussions surrounding additional pipeline based on a national unity concept or at all for that matter.

We are in the process of working with Advanced Ed and Technology with respect to an enhanced value-added policy. Clearly, we too try and work with the appropriate ministries in growing value-added abroad.

10:00

I think one of the lessons that we learned with respect to the BSE crisis was that there was an overreliance by the beef industry on the U.S. market, and I think that the industry recognized that they needed to do more, that they needed to diversify the portfolio of countries that take their export. While NAFTA and the U.S.-Canada free trade agreement, which preceded NAFTA, have led to some wonderful results for Alberta, some 700 per cent increase in our trade with the United States and with Mexico for that matter, you have to look to countries outside because as was said here earlier, you need the diversification of markets to enhance the value of your product and to ensure that you have somewhere else to go. If something bad happens like BSE, which I don't think anybody was contemplating – it was out of the blue – you have options.

So we are working on those types of things. But, once again, it's dependent on businesses that want to go there. You know, this is something where we assist others. For example, take the beef industry; you would need the beef industry to say: we want to go elsewhere. We could assist them in doing that. We can tell them, in our opinion, they should go elsewhere, but if they didn't want to go elsewhere, there wouldn't be a lot of assistance to give because you need the willing participation of the private sector. We have the tools to assist them in some of those markets.

The Deputy Chair: The hon. member.

Mr. Hehr: I think I asked you to briefly comment on China. Maybe it was an irrelevant question. Did you touch on that? Maybe I was already reading my notes.

Mr. Stevens: Well, there was an earlier question with respect to our trade with China. We don't have that information here today. We'll root it out and provide what information we have, but I'm not in a position to tell you what the numbers are with respect to trade with China at this time.

Mr. Hehr: Okay. That's fair enough.

Just commenting on your goal 2.5, Alberta as a premier place for an immigration destination. I know this will take some cross-ministry collaboration, but how can we better, I guess, support our recent immigrants? I know that in Calgary-Buffalo alone, probably 1 in 6 of the new households, you know, just recently moved here, and I believe right now each immigrant gets 14 weeks of English as a second language training. I'm just wondering whether your department sees a role for increased support of our immigration population.

Just sort of as a follow-up to that. I had a meeting at the multicultural society in Calgary – you can probably envision what it is – and really I'm somewhat worried as to what we're actually selling some of our immigrant workers, if we're telling them: hey, you can come here, and then in three years maybe you can practise your chosen profession. What type of messaging is being used to attract the foreign workers and the temporary foreign workers, more along that line, so that we're not overselling their capabilities here in Alberta or what we're offering them under the certain programs.

The Deputy Chair: The hon. minister.

Mr. Stevens: Thanks, Mr. Chairman. Employment and Immigration is taking the lead in attracting immigrants to the province. That is the ministry that is principally responsible. IIR is a key partner in that work. Employment and Immigration is implementing a made-in-Alberta immigration strategy, including a marketing strategy. This marketing strategy will be incorporated as part of Alberta's new international strategy that has been referred to previously. My department has the responsibility for the co-ordination of international immigration missions. This work ensures that Employment and Immigration is able to present a full picture of the province's many benefits and opportunities. In many markets there is limited awareness of Alberta. The department's existing international marketing initiatives present opportunities to share information about the province as a great place to live and work. We have international offices in some markets that are targets for labour attraction; for example, Germany and the United Kingdom. In these markets Employment and Immigration and IIR are collaborating on workforce attraction initiatives. So that is the information that I have with me today, hon. member.

Mr. Hehr: Returning to TILMA and just sort of my understanding and not understanding maybe what your – well, your department is the government department responsible for it. Will there be a board in place to hear disputes? Is that going to be worked out between B.C. and Alberta? What's the composition of this board? Who will be appointed? Industry and other experts? Could we just hear a little bit more about that appeal process? Then I'm assuming there will be access to the courts after that appeal process. Or is there a board that it has to go to first and then a court hearing that people can seek if they're not happy with the hearing board's mandate?

Mr. Stevens: The TILMA itself provides for a dispute resolution mechanism, and indeed there are members that have been appointed both in B.C. and Alberta as we speak, so I would be able, I believe, to provide you with a roster of who those are. I'm told that if you go to the TILMA website, you will find that very valuable information there. Indeed, we should all spend more time at the TILMA website because it appears to just answer all of the questions that we have regarding TILMA. In any event, the short of it is that those matters have been addressed. My memory of how that works is that the agreement itself, which is relatively short, provides how the dispute resolution panel would be established, gives timelines for making the decision.

The purpose of the TILMA is to have compliance; it is not to penalize. What we want to do is to ensure that if, in fact, there is noncompliance, it's identified and that the province that is noncompliant works towards compliance. That's the whole object of the exercise. In the event, however, that there is noncompliance, there is an ability for a fine to be levied – I believe it's up to \$5 million – and there is the ability now to register such a decision by the dispute panel as a judgment so that it can be enforced in the province where it would have to be enforced. There's a provision with respect to the dispute resolution process that does not allow for a flood of similar complaints. Once again, the purpose of the exercise is to get compliance rather than to foster dispute. When we get to that particular stage, we're hopeful that it operates in that fashion. I can tell you that the model that we have chosen is a model that is known in the international trade dispute resolution field as a workable model. We didn't make it up. It's something that has some good reputation.

Mr. Hehr: This model here is not an Alberta-made trade board negotiation. I'll just steal that line. I've heard it a few times while I've been here.

Anyway, just another question. We've heard much about Alberta exporting our goods and services around the world, which I think is admirable, from your department. I was wondering if you could comment more. One of the worries I have is that Alberta in our tremendous success in our oil and gas industry has become even a narrower economy, say, than it was eight years ago, and that's because of its tremendous success. It's been able to grab workers. Other industries haven't been able to expand or develop because all our workforce is tied up in the oil and gas industry. Is your department looking at bringing aboard industries, maybe, that have been successful in Europe? I'd suggest primarily around a green economy that we could be developing here that would be successful in the future and other opportunities that we could look at around the world. We could be bringing that business here to really work on expanding our economy to look past the next 40, 50, 60 years – let's hope it lasts longer – to where oil and gas isn't such a vibrant portion of our economy. If you could just comment on that.

10:10

Mr. Stevens: That, hon. member, sounds like an area that probably would be more the responsibility of Finance and Enterprise rather than IIR. What we're obviously interested in is assisting in the attraction of investment and opportunities from abroad to Alberta. That's why we want to go and tell the good story.

I recently met with the ambassador to Ireland. He was here last week and was introduced. One of the comments he made over lunch – and he is based, obviously, in Ontario – was that many of the investors, many of the folks that have dollars to invest abroad from Ireland come to Canada and don't get beyond Ontario. He knows full well, having been the ambassador here for a while and having

been here in the '80s, that many of the opportunities, of course, are here. You know, telling the story to the ambassador and having an opportunity – should we go to Ireland, or should some minister go to Ireland to talk to the right people? – that may generate the type of activity that you're talking about.

I don't think that there's any doubt that the green industry will look at Alberta and say that there's incredible opportunity here. We have, as I indicated earlier, the first legislation to deal with CO₂ mandated reductions in North America. We have the technology fund, which will undoubtedly foster innovation in that area. So I think that those opportunities are there.

Having said that, I think that as we speak, we have incredible green technology in this province. We have been doing a lot of things. I was listening to a program the other day about the number of companies that are, in fact, in Alberta whose business is none other than green technology. It's a remarkable story in and of itself. Having said that, we can use help from anywhere. I think that one of the successes of Albertans, going back to a comment that you made, is that should we find the model somewhere else, it's okay to borrow it, if you will. We don't have to call it Alberta made. The fact is that we're smart enough to recognize that somebody else built the mousetrap, and we don't have to start from scratch.

The Deputy Chair: The hon. member.

Mr. Hehr: I think those are all of my questions. Thank you.

The Deputy Chair: Thank you.

The hon. Member for Calgary-Lougheed.

Mr. Rodney: Thank you very much, Mr. Chair. You know, there are a number of us from all over the world in this Chamber. Many of us have had the chance to work abroad and live abroad. I know I've been very fortunate in that respect. I spent a whole lot of time in the United States and, even before being elected, spent a fair bit of time in Washington, DC. Anecdotally I can say, through the chair to the minister, that I was quite surprised at the reaction that I received when people learned about Alberta. As an example, in just going on one of these bus tours, one of the directors there, a bit of a comedian, was asking people where they were from, and I explained where I was from. He said: well, what can you tell the people here on this bus today about Alberta? It actually became a bit of a dialogue, just going back and forth. I was proud of our American friends, of how much they knew about their own country, but let's just put it this way: they had a whole lot more education on our fine province by the end of it.

I guess what I'm saying is that I am somewhat dismayed – and if the media is listening, maybe we'll hear about this later – by what we often hear in the media about bad-news stories about our province and our products, not so much our people. I wonder if the minister can tell us in his experience anecdotally, for instance, personally, professionally, and politically, as well as any sort of evidence or any sort of, you know, studies that have been done in terms of what is the reaction that you have received or that you know Albertans or Alberta receives when it comes to reputation and willingness to trade. Is the bad news that we're hearing in Alberta an accurate reflection of what Americans and people around the world think of us, or is it slightly different?

Mr. Stevens: Well, in the scheme of things Alberta is a small place. We only have 3.4 million people. We are a subnational province, not a national. So that makes it more difficult to tell the story. But I must say that I think that we have every reason to believe that the

wonderful story we have to tell will be well received when we have an opportunity to tell it. We did in 2005 the Smithsonian experience in Washington, DC. It was incredibly well received. Many, many Americans found out more about Alberta. For those that had an opportunity to participate at that time – and I was not one of them, but I had an opportunity to talk to many of our then colleagues and probably some present colleagues who did – it was an incredible experience.

My time in Washington told me that the people I was dealing with were very well informed about Alberta in large measure. They certainly understood the issue of the oil sands to a high degree. They understood the difference between Canada and Alberta and some of the other places from which the United States gets their oil and gas, like Nigeria and Saudi Arabia and Venezuela. These are countries that do not have the reliability of Canada. They do not have the democratic political regimes of Canada and Alberta. They do not have the open and transparent nature of Canada and Alberta.

For example, we in Alberta have technically the second largest reserve of oil in the world, but it's the largest auditable reserve in the world because Saudi Arabia, which has the largest, does not share its information, so it is not audited. So it is with many of these countries that supply other places in the world. They have civil rights issues. They have environmental issues that would make Canada and Alberta look very, very good indeed if all of that information were readily available, which it is not. But that's part of the story. You have choices, and you have some place like Canada, which has, I'm sure we can all agree, many great things to say about our traditions and our civil rights and, indeed, our environmental rules. We can quibble in this Assembly about it, but I imagine that if we went to Nigeria and took a look at what was going on there, we'd all agree that we're doing very well indeed and are on the right path on a relative basis.

I think that when we tell the story to the Americans and others, while it may be that they may not be familiar with Alberta in the first instance, they're pretty impressed with 175 billion barrels of proven reserves in our oil sands. They do know that Canada is a friend, that we do have our troops in Afghanistan dying altogether too often but fighting beside Americans and other allies in a just cause. These are all positive things, and they are things that I think are readily accepted by the people that we tell the story to.

The Deputy Chair: The hon. member.

Mr. Rodney: Well, thank you, Chair. I believe I'm amongst others not only in the Chamber but throughout the province and even among friends in other provinces that would feel good about the fact that the minister has in his department not only some great people but some great plans. Despite the fact that we do have a number of challenges, that he has just outlined, there are a number of action plans that are actually happening, and we will continue to go forward and be a leader not just in the country but around the world.

10:20

Speaking of around the world, often it's said that it's a lot easier to drive a truck from one end of Europe to the other. The European common union has laws and regulations that are much more consistent and a lot easier to access. I've heard that you have two or three or four sets of rules, guidelines with respect to the size and weight of a truck, licensing, and that sort of thing.

Talk by the minister on TILMA earlier just reminded me of the fact that I had seen the Premier of Saskatchewan, Brad Wall, speak. I walked up to the Premier afterwards, and I said: Premier, it seems we could have named your speech Identical Twins Raised Apart

because of all the incredible similarities between Alberta and Saskatchewan, what might have been a superprovince if the east had allowed Buffalo to be incorporated just over a hundred years ago. It was not to be, and we've had quite different governance in Alberta and Saskatchewan in the past century.

We have somewhat similar ideologies with our friends next door to the east now, and I was just slightly surprised to hear that it would be TILMA like rather than TILMA per se that we would engage in, possibly, with Saskatchewan and maybe Manitoba. I wonder what obstacles and opportunities there are with Saskatchewan and perhaps Manitoba as well as we move forward. Are there ways that we can do something even better than TILMA, or are we expecting things to not proceed quite as smoothly with Saskatchewan and Manitoba when it comes to agreements on trade and beyond?

Mr. Stevens: What I was saying, hon. member, is TILMA lite, not TILMA like. So it would be TILMA but not all of TILMA. Some of TILMA.

Once again, the go-forward over the course of the next year is to concentrate on the completion of TILMA and to ensure that it is fully operational in April of 2009. We consider that to be paramount, and if we accomplish that, I think it will send a very loud message to the rest of Canada and abroad. So that is the first order of business.

Having said that, should we have the opportunity to work with others from the Yukon, Northwest Territories, Saskatchewan, we certainly will do that, but it's a voluntary exercise. You need to indicate that you have an interest. If we have an opportunity to talk about it to them, we certainly will, but you need to have someone say: we're prepared to engage.

Saskatchewan, as we understand it, may have some reluctance with the TILMA per se. As a result of where they've been, not so much where they are, they have a great number of Crown corporations. I believe they may have in excess of 80 or 90 Crown corporations, and that creates a completely different environment for them as opposed to us, for example. That is an issue that they have to sort out in terms of matters such as procurement, and I'm sure that they'll get around to thinking about it. They're a relatively new government. They probably have some issues that they have to address in the first weeks and months. But I have every faith, as you do, I'm sure, hon. member, that they will ultimately get around to taking a look at the TILMA, and we will have that discussion. We'll be here for them and ready to have the discussion when they wish.

Mr. Rodney: Not so much a question; just to wrap things up, hopefully. I know we only have a matter of minutes left. I encourage the hon. minister, his staff, and members from every corner of this House to be supportive as we move forward with TILMA lite, TILMA like, whatever it happens to be. I know that next door in Saskatchewan they have a new enterprise minister, a very, very capable man, and we have a very capable woman here. Again, encouraging the minister and his staff to work with other departments because there are just amazing possibilities as we move forward, but it will require, perhaps, all-party agreement.

Thank you.

The Deputy Chair: The hon. Member for Lethbridge-East.

Ms Pastoor: Thank you. I realize that there's a very short time. I'm kind of bouncing between two questions, and I'll pick one. Under goal 3, strategy 3.2: "co-ordinate Alberta's approaches to the implementation and on-going management of completed agreements," including the NAFTA, the WTO, the agreement on internal

trade, and the TILMA agreement. I know that you have already stated that there is some conversation going on about the agreement on internal trade. I guess my question is: when there are disagreements within these groups, who takes precedence, and how would that work out?

Mr. Stevens: Well, on the issue of the agreement on internal trade it's an agreement, and the agreement provides for a dispute resolution mechanism. Indeed, there have been disputes that have been resolved. There have been none against B.C. or Alberta. We have not been the subject of any disputes. That is perhaps one of the reasons that we can have a good conversation leading into something like the TILMA.

But there's the example of the dispute between Alberta and Quebec relative to coloured margarine, which of course was decided in favour of Alberta but didn't give rise to a change in the rules in Quebec. I think, as a matter of fact, that statistically the majority of the decisions arising out of the dispute under the AIT have not given rise to a change in policy. In other words, they've been ineffective. I believe it's the majority. Some have been effective in changing the rules.

When the TILMA was put together, one of the things that was addressed was an effective dispute resolution mechanism. Indeed, one of the five points that is being highlighted as changes or potential changes to the AIT is the introduction of an effective dispute resolution mechanism. If you can't have an effective dispute resolution mechanism, people don't take it seriously. People have identified that as an issue.

So that's where we are on that. To look at the issue of the AIT or the TILMA, they are agreements that parties have entered into. When there is a dispute, you look into the terms of the agreement to determine how you would deal with the dispute.

The Deputy Chair: The hon. member.

Ms Pastoor: Thank you. I think we've just got one minute.

My question, really, was: when you've got these organizations, are you saying, then, that if there is that dispute mechanism that works, then it wouldn't go up to that next level? What if there's something that would interfere with, say, NAFTA? Which organization takes precedence? You can have a dispute mechanism down here, but, you know, if it comes from above instead of below, who takes precedence?

Mr. Stevens: Well, the AIT is an agreement amongst provinces. NAFTA is an agreement between countries: Mexico, the United States, and Canada. So I would assume that it's a dispute of a different nature. You know, one is a dispute, for example, of coloured margarine between Alberta producers and dairy farmers in Quebec; the other might be a softwood lumber agreement dispute between the United States and Canada. So I don't know that you would have situations where two agreements like that would be brought into play. There may be WTO in NAFTA.

10:30

The Deputy Chair: I hesitate to interrupt the Minister of International and Intergovernmental Relations, but I would now like to invite the officials to leave the Assembly so the committee may rise and report progress.

Pursuant to Standing Order 59.02(5) the Committee of Supply shall now rise and report progress.

[Mr. Mitzel in the chair]

The Acting Speaker: The hon. Member for Edmonton-McClung.

Mr. Xiao: Yes, Mr. Speaker. The Committee of Supply has had under consideration certain resolutions for the Department of International and Intergovernmental Relations relating to the 2008-09 government estimates for the general revenue fund and the lottery fund for the fiscal year ending March 31, 2009, reports progress, and requests leave to sit again.

The Acting Speaker: On the report by the hon. Member for Edmonton-McClung does the Assembly concur with the report?

Hon. Members: Concur.

The Acting Speaker: Opposed? So ordered.

Government Bills and Orders Second Reading

Bill 1 Trade, Investment and Labour Mobility Agreement Implementation Statutes Amendment Act, 2008

[Adjourned debate May 7: Mr. Taylor]

The Acting Speaker: The hon. Member for Calgary-Buffalo.

Mr. Hehr: Thank you very much, Mr. Speaker. I'm here to discuss TILMA and say that I won't be in favour of the agreement despite many of the good comments heard tonight by the minister opposite. I just look at sort of where the agreement has gone. It didn't really strike me as coming from the public, whether there's been any public consultation at all in this process. That's what worries me the most: that the average rank and file or, as our former Premier said, the Marthas and Henrys of this great province of ours really haven't had an opportunity to be well informed on the issue and whether it is, in fact, the right road for this province to travel down.

I know that much of this may come out later on when we're far too far into this agreement to really figure out what, in fact, we've done. If we'd look back and we'd look at some of the ways that TILMA can potentially impact government policy and government decision-making, I have great concerns over the fact that many of our school boards, many of our local governments may now be tied into what, in fact, an agreement between our provinces actually allows them to do and how they can represent their constituents, the citizens of Alberta, in a manner in which those people wish to be represented. It gives me great cause for pause with this bill going forward.

Another issue sort of comes into play. It appears that individuals – and my understanding is that companies under the law are individuals – can now also interfere in Alberta government business or in local business if a certain trade policy or a certain decision that they don't like their government taking interferes with their matter of course of doing business. I'm not sure that our government should be superceding that power to anyone, much less a corporation's ability to interfere with what the people of Alberta want and what the people of Alberta deserve.

Those are my initial comments. It just seems like there's been no call from the general public for this debate. What I heard today in question period – and although sometimes I fall asleep during the answers of the members opposite, I sometimes tend to listen. The hon. minister of farming said that he heard no call from industry to have increased farm regulations, and I will say that sometimes

governments should lead. On that case I know I'm sucking and blowing at the same time. On that issue I think they should be leading while on this issue I'm not sure if it's necessarily one of those things that is necessary at this time.

Those are my comments. I will not be supporting the bill put forward as such, but that's neither here nor there, so we'll move on. I'd like to adjourn debate.

[Motion to adjourn debate carried]

Bill 3

Fiscal Responsibility Amendment Act, 2008

The Acting Speaker: The hon. President of the Treasury Board.

Mr. Snelgrove: Thank you, Mr. Speaker. It's my pleasure to rise today to move second reading of Bill 3, the Fiscal Responsibility Amendment Act, 2008.

One of this government's priorities is to provide public infrastructure to meet the needs of a growing economy and population. This bill addresses that priority by allowing the Alberta government to enter into alternative financing arrangements for certain P3 projects to build much-needed schools, health facilities, and postsecondary institutions.

Mr. Speaker, I would now like to adjourn debate.

[Motion to adjourn debate carried]

Bill 4

Alberta Enterprise Corporation Act

The Acting Speaker: The hon. President of the Treasury Board.

Mr. Snelgrove: Thank you, Mr. Speaker. On behalf of the Minister of Advanced Education and Technology I would like to rise today and move second reading of Bill 4, the Alberta Enterprise Corporation Act.

The Speech from the Throne announced a plan for Alberta that includes adding value to services and products and broadening the province's economic base. The Alberta Enterprise Corporation is one of the key components of that plan. In 2007 the government of Alberta presented our policy and action plan for value-added and technology commercialization. At that time the government recognized that many knowledge-based companies in Alberta faced challenges in raising investment capital in spite of the large amounts of capital available in the province. This is primarily due to the absence of a community of experienced technological investors, and innovative measures are necessary to begin moving and growing capital into these underserved areas of the market.

The plan recommended that a co-ordinated set of actions be undertaken to move Alberta forward towards a more diversified economy. This bill establishes that corporation as a provincial corporation accountable to the government to carry out its mandate. I look forward to debate on this bill at another time.

Mr. Speaker, at this time I would like to adjourn debate on Bill 4.

[Motion to adjourn debate carried]

The Acting Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I would move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 10:39 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]

Table of Contents

Monday evening, May 12, 2008

Motions Other than Government Motions	
Port Alberta	635
Committee of Supply	
Main Estimates 2008-09	
International and Intergovernmental Relations	641
Government Bills and Orders	
Second Reading	
Bill 1 Trade, Investment and Labour Mobility Agreement Implementation Statutes Amendment Act, 2008	653
Bill 3 Fiscal Responsibility Amendment Act, 2008	654
Bill 4 Alberta Enterprise Corporation Act	654

STANDING COMMITTEES

Standing Committee on the Alberta Heritage Savings Trust Fund

Chair: Mr. Rogers

Deputy Chair: Mr. Elniski

Amery	DeLong	McQueen	Olson
Blakeman	Kang	Notley	

Standing Committee on Community Services

Chair: Mr. Rodney

Deputy Chair: Mr. Hehr

Benito	Doerksen	Johnston	Notley
Bhardwaj	Johnson	Lukaszuk	Sarich
Chase			

Standing Committee on Health

Chair: Mr. Horne

Deputy Chair: Ms Pastoor

Dallas	Notley	Quest	Swann
Denis	Olson	Sherman	Vandermeer
Fawcett			

Standing Committee on Legislative Offices

Chair: Mr. Prins

Deputy Chair: Mr. McFarland

Blakeman	Lund	Marz	Notley
Campbell	MacDonald	Mitzel	Webber
Horne			

Special Standing Committee on Members' Services

Chair: Mr. Kowalski

Deputy Chair: Mr. Oberle

Elniski	Mason	Snelgrove	VanderBurg
Hehr	Rodney	Taylor	Weadick
Leskiw			

Standing Committee on Private Bills

Chair: Dr. Brown

Deputy Chair: Ms Woo-Paw

Allred	Calahasen	Forsyth	Quest
Amery	Campbell	Jacobs	Sandhu
Anderson	Doerksen	MacDonald	Sarich
Benito	Elniski	McQueen	Swann
Boutilier	Fawcett	Olson	

Standing Committee on Privileges and Elections, Standing Orders and Printing

Chair: Mr. Prins

Deputy Chair: Mr. Hancock

Bhardwaj	Johnson	Notley	Taylor
Boutilier	Leskiw	Oberle	Vandermeer
Calahasen	Liepert	Pastoor	Weadick
Doerksen	Marz	Rogers	Zwozdesky
Griffiths	Mitzel	Stevens	

Standing Committee on Public Accounts

Chair: Mr. MacDonald

Deputy Chair: Mr. Lund

Benito	Denis	Jacobs	Quest
Bhardwaj	Drysdale	Johnson	Vandermeer
Chase	Fawcett	Kang	Woo-Paw
Dallas	Griffiths	Mason	

Standing Committee on Public Safety and Services

Chair: Mr. VanderBurg

Deputy Chair: Mr. Kang

Anderson	Cao	MacDonald	Sandhu
Brown	Jacobs	Notley	Woo-Paw
Calahasen			

Standing Committee on Resources and Environment

Chair: Mr. Prins

Deputy Chair: Dr. Swann

Berger	Griffiths	Mason	Oberle
Boutilier	Hehr	McQueen	Webber
Drysdale			

Standing Committee on the Economy

Chair: Mr. Allred

Deputy Chair: Mr. Taylor

Amery	Campbell	Mason	Weadick
Bhullar	Marz	McFarland	Xiao
Blakeman			

If your address is incorrect, please clip on the dotted line, make any changes, and return to the address listed below. To facilitate the update, please attach the last mailing label along with your account number.

Subscriptions
Legislative Assembly Office
1001 Legislature Annex
9718 - 107 Street
EDMONTON AB T5K 1E4

.....

Last mailing label:

Account # _____

New information:

Name _____

Address _____

.....

Subscription information:

Annual subscriptions to the paper copy of *Alberta Hansard* (including annual index) are \$127.50 including GST if mailed once a week or \$94.92 including GST if picked up at the subscription address below or if mailed through the provincial government interdepartmental mail system. Bound volumes are \$121.70 including GST if mailed. Cheques should be made payable to the Minister of Finance.

Price per issue is \$0.75 including GST.

On-line access to *Alberta Hansard* is available through the Internet at www.assembly.ab.ca

Address subscription inquiries to Subscriptions, Legislative Assembly Office, 1001 Legislature Annex, 9718 - 107 St., EDMONTON AB T5K 1E4, telephone 427-1302.

Address other inquiries to Managing Editor, *Alberta Hansard*, 1001 Legislature Annex, 9718 - 107 St., EDMONTON AB T5K 1E4, telephone 427-1875.

