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Employment and Immigration

International migrants drive Alberta growth; Interprovincial migrant numbers plunge

The Calgary Herald

Thu 26 Jun 2008

Page: A3

Section: News

Byline: Kelly Cryderman

Source: Calgary Herald

For the first time in recent memory, international migration has become the most important driver behind Alberta's population growth, according to new data from Statistics Canada.

Alberta's population grew by almost 15,000 people in the first three months of this year, despite lagging interprovincial migration. In its place, a growing stream of immigrants, refugees and temporary foreign workers helped Alberta reclaim its title as fastest growing province back from Saskatchewan, which held the top spot in Canada for the second half of 2007.

Statistics Canada senior analyst Hubert Denis said, for the 12 month period ending in March, international migration was the main factor of population growth in the province, outpacing what analysts call the "natural increase" (births minus deaths) and interprovincial migration. Never before has this been the case for a full year -- or at least since the national statistics agency started keeping such records in 1971.

"It's certainly a turning point in the history of Alberta," said Din Ladak, chief executive officer of Immigrant Services Calgary, adding the province is now facing a "demographic tsunami."

Ladak and others who work with immigrants say the changing face of Alberta means government and others will have to work harder to integrate newcomers,

providing more English-language services and recognizing foreign-earned credentials more quickly.

Alberta's population soared to more than 3.5 million for the first time early this year.

The total population increase was still heavily influenced by what Denis calls Alberta's "small baby boom" -- the province saw almost 10,880 babies born in the three month period, with only 5,509 deaths.

However, Alberta's interprovincial migration numbers have dropped like a stone. Alberta had a net gain of 713 people from other provinces in the first three months of this year compared to 7,384 for that period in 2007.

Denis said the economies of provinces such as Saskatchewan and Newfoundland and Labrador are now doing well, giving less impetus for residents there to leave. In Alberta, meanwhile, many people believe "the cost of living is too high now," he said.

On the other hand, Alberta received 5,300 immigrants and saw a net gain of 4,000 non-permanent residents in the first three months of 2008, according to the Statistics Canada report. Most of the non-permanent residents are temporary workers, Denis said.

Fariborz Birjandian, executive director of the Calgary Catholic Immigration Society, said immigrants, refugees and temporary foreign workers coming to Alberta deal with the high rental and housing costs by packing five or six people into a single apartment.

"There's a lot of problems," he said. "A huge percentage of their income goes to housing."

Originally from Eritrea but recently living in Sudan, Eden Tekle Gebreselassie, 35, arrived in Calgary with her husband, Yosief Haile Negussie, 39, and two young children Tuesday afternoon. About 24 hours later, the new permanent residents were sitting in the immigration society's office, awaiting a meeting with settlement staff.

The couple chose Calgary rather than another Canadian city because they already have family here.

With her young son in a nearby daycare, Anca Zagan, 37, said her geologist husband has been able find plenty of work since the family moved to Calgary from Romania last year. She likes Canada and doesn't mind the small two bedroom apartment they rent for \$1,200 per month -- at least for the time being. "We dream for a house but now it's not possible," Zagan said.

As for temporary foreign workers, Birjandian said they are having a pronounced impact on smaller centres in Alberta. While most permanent residents from other countries settle in Edmonton or Calgary, temporary foreign workers are in the country for a set time period and only at the behest of an employer.

Birjandian said he believes governments need to better address the issues of foreign newcomers. Immigration needs to be about "nation-building," not just labour needs, he said.

ATB Financial senior economist Todd Hirsch said the population figures do not reflect that many of the people here now will only be in the province on a temporary basis.

"It exaggerates how quickly the province's population is growing," he said of the Statistics Canada data.

Across the country, Statistics Canada found the the Western provinces are still leading Canada's population growth.

As a whole, Canada received 53,100 new immigrants in the first three months of this year. The country's population now sits at 33,223,840.

Alberta regains growth title with record population gains; Losses to other provinces with lower cost of living give way early this year to modest inflow

The Edmonton Journal

Thu 26 Jun 2008

Page: F1 / FRONT

Section: Business

Dateline: EDMONTON

Source: The Edmonton Journal

EDMONTON - Immigrants and temporary foreign workers have helped Alberta regain the title of Canada's growth leader from Saskatchewan, Statistics Canada said Wednesday.

"Alberta's population rose by 0.41 per cent over the January-to-March period to reach an estimated 3,512,400, mainly as a result of strong immigration and net inflows of non-permanent residents," the federal agency said in a news release.

"Alberta received 5,300 immigrants and posted a net increase of 4,000 non-permanent residents, both first-quarter records."

Non-permanent residents are foreigners here on work or student permits.

In total, the province grew by 14,487 people between Jan. 1 and March 31.

Todd Hirsch, senior economist for ATB Financial, said in his daily commentary that Alberta's "weak spot" is interprovincial migration.

"Over the first quarter, an estimated 713 people moved to Alberta from other provinces (on a net migration basis). That number is relatively small, but at least it reverses a troubling trend that was brewing over the past few quarters in 2007 when the high costs of living and an overheated real estate market was causing Alberta to lose people to other provinces," Hirsch said.

The increase from interprovincial migration was the lowest for a first quarter since 1995, Statistics Canada said.

Hirsch said another "small worry" for Alberta is growth in non-permanent residents.

"If (or when) a real slowdown in the province hits, those people will leave just as quickly as they came," he said.

"Attracting new workers to the province is one challenge, but keeping them here to share in the growth and development of Alberta for the long-term is another." Statistics Canada said the increase of 16,300 in the number of non-permanent residents -- mainly in Alberta, Ontario and B.C. -- was the largest for a first quarter since 1990. The number of non-permanent residents increased by 13,600 over the same period in 2007

Saskatchewan, the nation's growth leader for the previous two quarters, had the second-highest growth rate in Canada at 0.35 per cent, bringing its population to 1,010,100, Statistics Canada said.

"It was the highest first-quarter increase for Saskatchewan in decades, mainly as a result of record numbers in immigration, interprovincial migration and in non-permanent resident net inflows."

Alberta, Saskatchewan and British Columbia were the only provinces where the growth rate exceeded the national average of 0.24 per cent. Canada's population on April 1 was an estimated 33,223,800, up 80,200 from Jan. 1, 2008.

Energy

Stelmach will go to bat for our oil in U.S.

The Edmonton Sun

Thu 26 Jun 2008

Page: 7

Section: News

Byline: BY JEREMY LOOME, LEGISLATURE BUREAU

It's in the middle of the mountains and two national parks, which suggests Jackson, Wyo., is a great place to talk environment.

It's also a potential spot for Premier Ed Stelmach to pick up some allies, starting Sunday, as he meets with 15 Western U.S. governors during their annual get-together.

He'll need them as his PR campaign continues against U.S. environmental opposition to the province's so-called "dirty" oilsands.

While the trip has been scheduled for months, it also comes just days after a spokesman for Democratic U.S. presidential candidate Barack Obama suggested future U.S. use of oil from Alberta's oilsands is an "open question."

Stelmach said he "will take every opportunity I can get to tell Alberta's story and emphasize that we are a safe, secure and growing source of energy for the U.S."

Alberta isn't getting the credit it is due for developing environmental policy and controls, the premier will tell the governors.

"I want to reassure Americans that Alberta does not develop our resources at the expense of the environment," he said.

He has some history on his side; the key western states already have a year-old partnership in place to increase electrical generation in the region, some of which is expected to rely on coal-fired electrical plants, which have also been criticized despite advancements in so-called clean coal technology

Stelmach called it "an ideal opportunity to sit down and talk about opportunities and ideas together."

The premier isn't just dealing with federal-level intervention. U.S. mayors at a delegation on Monday passed a resolution to avoid buying municipal oil supplies from "dirty" oil suppliers, singling out Canada's contribution to greenhouse gas production.

That's despite the fact that by the time it reaches that level of consumer, they will likely never be able to tell it apart from oil from elsewhere, critics have noted, and the fact that Alberta has other countries it can sell the oil to.

And it's not as if Obama's attack was a definitive position, noted Stelmach spokesman Tom Olson. Obama's position is based on whether technology advances enough to mitigate the carbon-producing nature of oilsands extraction.

"That's exactly the approach that Alberta is already taking in our commitment to carbon capture and storage as playing a major role," he said.

"But clearly, there will be an awful lot of representatives there from western states and there is clearly a lot of misinformation and misunderstanding out there about what's going on in Alberta."

The environmental lobby Greenpeace, which supports an immediate moratorium on new oilsands developments, called the focus on future development of carbon capture "unfortunate."

The government is "putting all their eggs in the carbon capture basket, and it's a basket that just has so many holes in it," said spokesman Mike Hudema.

Liberal critic **Bridget Pastoor**, the Lethbridge East MLA, said she hopes Stelmach will "show some leadership, and make it clear that his government is willing to do more to protect the environment in Alberta than a \$25-million 'greenwashing.'"

Blame rests on province for tarring of oilsands; Badly needed eco-plan will be too little, too late

The Edmonton Journal

Thu 26 Jun 2008

Page: F1 / FRONT

Section: Business

Byline: Gary Lamphier

Column: Gary Lamphier

Dateline: EDMONTON

Source: The Edmonton Journal

EDMONTON - They've had enough, damn it, and they're not gonna' take it anymore. This time, they mean business! Finally, the gloves are coming off! In response to a growing attacks on Alberta's "dirty" oilsands by radical enviros and vote-hungry U.S. politicians -- the latest from Democratic presidential hopeful Barack Obama -- Alberta's energy giants have rolled out (drum roll, wait for it . . .) a brand-new website!

Yup, that's what we need! A website! Surely, this will finally set the record straight. This should turn the optics of the oilsands around inside the Beltway, and convince Washington's politicos that things are hunky dory, environment-wise, up here in the Bitumen Belt. Give or take a few dead ducks.

Talk about underwhelming. It almost makes me want to weep. Or go back into PR. This province and its biggest industry clearly need some help telling their side of the story. That's if anyone is willing to listen at this point.

While the well-funded green lobby and its media soulmates have convinced most Americans that Alberta's "tar" sands are a key cause of global warming, and while the saintly Al Gore launches a massive, \$300-million-US campaign to spread the green gospel, Alberta's political and business elite have gone missing in action. This train is already leaving the station, and most of Alberta's big hitters aren't even around to wave it bye-bye. You just can't make this stuff up.

Alberta Premier Ed Stelmach wasn't around Wednesday to respond to the Obama camp's latest verbal grenade. That was left to Energy Minister Mel Knight, who says besieged U.S. consumers won't stomach any import curbs on Alberta bitumen if it means even higher gasoline prices.

"You start jacking up the cost of food and fuel to ordinary Americans, would that be in everybody's best interest? I think not," he told The Journal's Archie McLean and other reporters.

"Give us an opportunity to explain to you what we've done. There's been absolutely no credit given to Alberta, to Albertans, to Alberta's government and Alberta's industry with respect to what we've done."

Knight has a point. There's no evidence consumers are willing to cough up a nickel of their hard-earned dough to clean up the planet. It's also true Alberta gets zero credit for the steps it's taking to address oilsands environmental issues. But this is politics, not reality. It's all about spin. And as Obama knows, he has to talk a good green game if he hopes to capture the White House. Given the success of the green lobby in trashing the oilsands, it's easy to understand why Obama sees it as an easy target, and a cheap way to rack up political points. In the end, Alberta has only itself to blame.

After years of talk, the Tory government and the energy sector, in partnership with the feds, should by now have a clear plan for funding and building an integrated carbon capture-and-storage system, among other things.

Instead, there's no such blueprint. Only more talk. Oh yes, the province is rolling out a \$25-million PR campaign. Eventually. But words alone won't cut it. Not anymore. The debate has moved well beyond words. The time for concrete action has come, and Alberta's guys are still in meetings.

Even when decisive action does come, it will be seen as too little, too late -- a defensive reaction

after years of environmental criticism. Instead of being ahead of the curve, Alberta will be scrambling to catch up. A laggard, not a leader.

This is all so sad. It didn't have to be this way. Not in a province generating massive, multibillion-dollar annual surpluses. But don't take it from me. Listen to what Tim Shipton, president of the Alberta Enterprise Group -- a lobby group that mainly represents oilsands-services firms -- has to say.

"There seems to be a lack of urgency in dealing with this issue both from an industry and a government perspective," he fumes. "If we wait any longer to respond, the debate will be over before we even get started."

Shipton says the Stelmach government and the oilsands sector need to significantly ramp up their efforts to get their side of the story out. Not just through websites or newspaper ads, but through one-on-one meetings with political leaders in Washington.

After meeting with Republican presidential candidate John McCain's team last week, Shipton says he was astounded by how little they knew about the oilsands. He says he got the impression they haven't met anyone to date from the Alberta government.

"We have to get more political and more aggressive, as would anybody when there is a direct frontal assault on their most important asset. We have to fight. The time for niceties is over," he says.

"The language coming out of the U.S. is very clear, from the mayors to what Obama's people are saying. It's very direct. They don't view this as a minor trade issue. The paradigm has shifted."

Shipton and his youthful colleague, David MacLean, were out telling their side of the oilsands story Wednesday, with MacLean popping up opposite an environmental activist on Business News Network.

As for the oilsands players they were defending, they must have been brushing up on their speaking notes for the forthcoming PR campaign. Or not.

U.S. consumers have last word on oil; Energy minister downplays proposals to turf Alberta imports

The Edmonton Journal

Thu 26 Jun 2008

Page: A4

Section: News

Byline: Archie McLean

Dateline: EDMONTON

Source: The Edmonton Journal; With files from The Calgary Herald

EDMONTON - U.S. consumers won't stand for higher prices at the pump if their leaders refuse to buy gas made from Alberta's oilsands, Energy Minister Mel Knight says.

Knight was responding Wednesday to suggestions from a senior adviser to presumptive Democratic presidential nominee Barack Obama, who said it's questionable whether the oilsands fit into the Democrat's plan to wean his country off carbon-intensive fuels.

Knight said the U.S. presidential race has led to some unreasonable proposals from the candidates. If the U.S. refuses the 1.4 million barrels of oil it imports from the oilsands each day, Knight predicted voters will push back.

"You start jacking up the cost of food and fuel to ordinary Americans, would that be in everybody's best interest? I think not."

Knight's remarks came amid increasing criticism of the oilsands from U.S. politicians.

In December, Congress passed a law barring the federal government, including the military, from buying fuel from unconventional sources, such as the oilsands, though authors of the bill admitted it will be nearly impossible to enforce.

Earlier this week, U.S. mayors passed a resolution at their annual meeting, urging their members not to use any fuel from the oilsands for municipal contracts. The resolution isn't binding, but speaks to a growing sentiment among some American lawmakers.

The mayors' resolution prompted rebukes from Premier Ed Stelmach and Calgary Mayor Dave Bronconnier.

Bronconnier invited the mayors "to visit Calgary and get the facts on oilsands production." He said reducing greenhouse gases is an important issue, "but it requires a comprehensive, thoughtful and realistic approach. This resolution suggests a lack of understanding."

Stelmach will travel to Wyoming this weekend to meet with western governors and premiers. He pledged to get out the message out on Alberta's environmental record.

"I will take every opportunity I can get to tell Alberta's story and emphasize that we are a safe, secure and growing source of energy for the United States," Stelmach said in a news release. "I want to reassure Americans that Alberta does not develop our resources at the expense of the environment."

The province will spend \$25 million on a public relations campaign designed to counter what it says are unfair allegations from environmentalists.

Environmental groups have argued the province needs to back up its rhetoric with action. With oilsands production set to increase, the province admits greenhouse gas emissions will rise, although the amount of emissions per barrel will decrease. With the province awash in oil and gas royalty dollars, Knight said Albertans should be prepared to see the government invest heavily in carbon capture and storage technology.

"You're going to hear some big numbers attached to it," Knight said.

"There's no doubt that we have an opportunity in Alberta, particularly with carbon capture and storage being a centrepiece of what we're doing."

The vilification of the oilsands in the United States is fuelling interest among producers of the so-called "dirty oil" to look at new markets overseas, said the chief executive of Canada's largest oil pipeline company.

Pat Daniel, CEO of Enbridge Inc., said the company will try to "expedite" its proposed \$4.2-billion Gateway oilsands pipeline between Edmonton and Kitimat, B.C., due to mounting criticism about the oilsands in the U.S., so Canadian producers can diversify their customer base.

"The concerns around the dirty oil name have probably caused some further interest in Gateway," Daniel said Wednesday.

The Gateway project emerged seven years ago as a price guard for Canadian oilsands producers.

The project was shelved in 2006 after China, which had signed a memorandum of understanding with Enbridge to work on Gateway together, walked away from it.

Natural gas customers would save under proposed rate cut

The Edmonton Journal

Thu 26 Jun 2008

Page: B5

Section: Cityplus/Alberta

Dateline: EDMONTON

Source: The Edmonton Journal

Natural gas customers in northern Alberta can expect to get a break in July.

Direct Energy Regulated Services is filing a rate cut with the Alberta Utilities

Commission that would see customers living in and north of Red Deer pay

\$10.008 per gigajoule. That's down from the June rate of \$13.042 per GJ -- which nearly doubled from the May rate.

The price, if approved, would apply to consumers not signed up with a deregulated supplier.

The typical residential gas bill for July, based on an average use of three GJ, would be about \$77 in northern Alberta. Last July, a typical residential bill was \$50.

In June 2008, it was \$90.

The rate reflects a market price for July supplies of about \$10.84 per GJ and accounts for an adjustment of \$.83 per GJ for June and earlier months, said Direct Energy Regulated Services.

Customers in southern Alberta are getting a bigger break. Their rate is decreasing to \$6.117 from the June rate of \$13.517 -- for a typical residential gas bill of about \$57 for an average of three GJ used.

No provincial rebate on gas bills applies from April to September.

'Dirty oil' label spurs hunt for new markets; Enbridge speeds plan to supply Asia

The Calgary Herald

Thu 26 Jun 2008

Page: D1 / FRONT

Section: Calgary Business

Byline: Jon Harding

Source: Calgary Herald

The vilification of the oilsands in the United States is fuelling interest among producers of the so-called "dirty oil" to look at new markets overseas, said the chief executive of Canada's largest oil pipeline company.

Pat Daniel, CEO of Enbridge Inc., said the company will try to "expedite" its proposed \$4.2-billion Gateway oilsands pipeline between Edmonton and Kitimat, B.C., due to mounting criticism about the oilsands in the U.S., the threat it poses and so Canadian producers can diversify their customer base.

Calgary-based Enbridge today transports one million barrels of Canadian crude oil to refineries in the U.S. It has a slew of new projects and expansions underway to boost its north-to-south capacity.

"The concerns around the dirty oil name have probably caused some further interest in Gateway," Daniel said Wednesday in an interview.

The Gateway project emerged seven years ago as a price guard for Canadian oilsands producers, who back then shipped most of their oil to refineries in the U.S. Midwest.

The project was shelved in 2006 by Enbridge after China, which was trying to secure supply contracts from oilsands producers and had signed a memorandum of understanding with Enbridge to work on Gateway together, walked away from it.

Alberta's oilsands producers then made the U.S. market, especially new terrain on the U.S. Gulf Coast, a higher priority.

Enbridge revived Gateway last February, however, saying it had enough support from potential customers in Southeast Asia -- from Japan to Singapore and parts in between, Daniel said Wednesday -- as well as from producers in Canada to start design work and prepare for the regulatory process.

Daniel said he is concerned about the way the oilsands are being cast in the U.S. and despite the "critical" and complex regulatory process that lies ahead of Gateway, Enbridge will attempt to have it up and running by 2014.

"I don't consider (the talk) an immediate threat and I think we have to recognize we have an election campaign underway in the U.S. . . . But I think a very important thing for Canadians to keep in mind is that we have to develop alternatives in light of this kind of discussion, so we are not left stranded and with insufficient markets for our crude oil," Daniel said.

Concerns about the higher level of greenhouse gas emissions created by oilsands development compared to conventional oil production have been percolating in Canada and abroad, along with apprehension about the industry's water use and its slow rate of land reclamation.

The issue boiled up early Monday when mayors of the largest cities in the U.S. called for a crackdown on the purchase of fuels derived from the "dirty tarsands" and other sources such as oil shale, which they say could cause catastrophic global warming.

U.S. presidential front-runner Barack Obama then joined the assault on the oilsands a day later, painting them as a potentially unacceptable energy source. Daniel isn't the first this week to raise the notion that Canada should find a more accepting trade partner.

Rick George, the chief executive of Suncor Energy Inc., the world's largest oilsands company, said in an interview with the Herald that if opposition mounts, Canada could look to customers abroad.

"The only thing I can say is that the world is very tight on supply and if some people do not want to purchase our product, then we have the whole world as our market," George said.

Alberta's Energy Minister Mel Knight also suggested it would be prudent for the oilsands industry to look at expanding its customer base, but not to escape the responsibility of pursuing ways to reduce the sector's environmental footprint. Daniel defended the oilsands industry and said it is so new that there has not been time for new environmental technologies to advance as fast as demand has grown.

"I feel very strongly this industry has done a remarkable job but we are dealing with a relatively new source of crude oil," he said.

"The industry is working very hard -- there are a lot of very bright people -- looking at ways to reduce the environmental footprint and impact of it.

"That will be done. It will happen.

"We are working on carbon capture and sequestration, we are working on tailings pond technology, we are working on restoration technology, but these things don't happen overnight."

U.S. rhetoric wears thin in Alberta

National Post

Thu 26 Jun 2008

Page: FP3

Section: Financial Post

Byline: Claudia Cattaneo

Column: The Patch

Source: Financial Post

With the fight against Canada's oil sands getting uglier by the day, the United States should be reminded that its bargaining position is a weak one.

Canada's chips include getting nasty on the proposed Alaska natural-gas pipeline and cutting off U. S. preferential access to Canada's energy under the North American Free Trade Agreement. Canada can also build very big, new offshore markets for oil that no longer meets the standards of U. S. energy snobs.

Meanwhile, U. S. politicians who jumped to conclusions about the oil sands are bound to find out their position stands on bunk fed t them by the green movement, including its singling out of Alberta's reserves as climate-change enemy No. 1.

Emissions from the oil sands are comparable to those of heavy-oil fields in the United States' own backyard, such as Bakersfield, Calif., or in Venezuela, Mexico, Nigeria or the Middle East, none of which has adopted greenhouse-gas policies, as Canada has, or are likely to feel pressured to improve their practices by U. S. interest groups.

After decades of trying, the proposed Alaska pipeline appears to be getting closer to start-up. The United States wants it badly. It would bring large quantities of clean-burning, secure, U. S. natural gas to domestic markets. But there is an important glitch to this American dream. Much of the line has to cross Canada and won't happen without Canadian political and regulatory support, human resources and expertise. Indeed, the preferred proponent is a Canadian company, TransCanada Corp.

Canada has every right to be as irresponsible on the Alaska line as U. S. policymakers are on the oil sands.

NAFTA is another can of worms in which Canada holds the winning hand. Barack Obama, for one, has talked about wanting to re-open the deal if elected president. This week he also joined other U. S. politicians in taking an anti-Canadian oil sands positions. It's a dangerous mix of views.

There is no shortage of Canadian politicians with the resolve to let Americans freeze in the dark if that's where their elected officials want to take them. Meanwhile, the historic reservoir of pro-U. S. sentiment is wearing thin in Alberta, where the oil sands are located.

Yesterday in Mexico City, Jim Flaherty, the Finance Minister, reiterated that Canada doesn't want to renegotiate NAFTA, but if that's what the United States wants, "we would want to put on the table how we deal with energy issues, oil, natural-gas issues."

So far, the bigger impediment to developing new markets has been a lack of pipeline capacity. Almost all of Canada's oil exports are now U. S.-bound. But with the Canadian sector investing heavily in new lines to move growing oil sands production, interest is high in going offshore.

Three options on the table could move one million barrels a day of Canadian oil to non-U. S. markets by early in the next decade: The reversal of Enbridge Inc.'s Line 9 from Sarnia, Ont., to Montreal and of the Portland Pipeline could move 200,000 barrels a day by 2010; the pipelines to the West Coast proposed by Enbridge and Kinder Morgan could each move 400,000 b/d by 2012 to 2014; the existing Kinder Morgan line to the Vancouver area is already being expanded to carry 300,000 b/d by the end of this year. Any one of those options would make the Canadian sector less dependent on U. S. customers.

Obama adds to oil sands pressure

The Globe and Mail

Thu 26 Jun 2008

Page: B4

Section: Report On Business: Canadian

Byline: Shawn McCarthy

Dateline: OTTAWA

Source: GLOBAL ENERGY REPORTER

OTTAWA -- Canada's oil sands producers are facing new pressures to slash their greenhouse gas emissions, with the latest salvo coming from the campaign of Barack Obama, the presumptive Democratic U.S. presidential nominee.

And while companies say they are confident they can reduce the emissions for each barrel of oil equivalent produced by their operations, it remains far from clear they will emerge unscathed from the rush across North America to enforce tough new climate change rules.

As part of his commitment to address climate change, Mr. Obama has endorsed a proposed, national "low-carbon fuel standard," which could penalize gasoline marketers in the United States who rely on oil sands production.

Canadian oil companies have been working since the regulation was first proposed in California in early 2007 to understand how such a low-carbon fuel

standard would affect them. Several states, along with British Columbia and Ontario, have said they would adopt such a standard.

But producers are also confident that, in light of growing U.S. and Canadian demand for oil from Alberta and the reluctance to depend even more heavily on unstable, offshore sources, governments will be reluctant to pursue environmental policies that choke off investment in the oil sands.

"Climate change is an important issue and we need to find solutions, but energy security is also an important element of the public interest," said Gordon Lambert, vice-president of sustainable development at Suncor Energy Inc.

Suncor has cut emissions per barrel by 50 per cent from its oil sands facilities since 1990, and Mr. Lambert said new plants will be more efficient. But growing output has overwhelmed those per-barrel improvements.

Pierre Alvarez, president of the Canadian Association of Petroleum Producers, said Alberta oil is comparable to Venezuelan crude and Mexican heavy oil in carbon emissions, and only slightly worse than many grades of African and Middle Eastern oil, once the fuel use required for transportation is factored in.

But he said it is important that any U.S. standard is based on a "wells-to-wheels basis," taking into account the entire production cycle, and that it must recognize payments producers make into technology funds when they exceed targeted emission levels.

In a conference call with reporters this week, Mr. Obama's energy adviser, Jason Grumet, said it will be up to the industry to invest in technology that allows for oil sands production without "unacceptable impacts" on the environment.

An Obama administration would set standards that, without such environmental improvements, would discourage refiners and gasoline marketers from relying on oil sands production, Mr. Grumet said. Mr. Obama, who represents the coal-dependent state of Illinois, has endorsed the use of "clean coal," which requires the same kind of expensive carbon capture and storage technology that is envisaged for the oil sands.

The dirt on oil emissions

Canadian oil sands producers say their oil emits only 10 per cent more emissions per barrel than Middle Eastern oil.

IN KILOGRAM OF CARBON DIOXIDE EQUIVALENT PER BARREL OF FUEL

Canadian Light: 490

Brent Blend: 494

Arab Light: 517

Nigerian Excravos: 541

Mexican: 557

Canadian Synthetic*: 568

Venezuelan Partial Upgrader: 579

*Upgraded bitumen from the oil sands

SOURCE: T.J. McCANN & ASSOCIATES

Environment

Calgary phasing out weed killers

The Calgary Herald

Thu 26 Jun 2008

Page: A1 / FRONT

Section: News

Byline: Kim Guttormson

Source: Calgary Herald

Calgarians may soon have to put up with a few more weeds and bugs as the city took the first step Wednesday in restricting the use of pesticides -- including herbicides, insecticides and fungicides.

The details are still to be worked out, but Calgarians will likely no longer be allowed to use chemicals to make their lawns look better, starting in three years. After a full day of impassioned pleas to reduce the amount of chemicals allowed on lawns and gardens, the utilities and environment committee approved a series of recommendations that will do just that.

Ald. Brian Pincott, one of three aldermen who brought forward the initial motion, said it's a step in the right direction.

"It's something that's a long time coming," he said.

"It's about putting the health of Calgarians first, it's about putting the health of Calgarians 20, 30 years down the road first."

The recommendations will go to city council next month and, if passed, would require the city to restrict the use of cosmetic pesticides on public land by 2010, while private lawns would be affected in 2011.

In the meantime, the city would begin discussions on what chemicals shouldn't be allowed and prepare an education and public awareness campaign.

Advertisements and brochures would let homeowners know the alternatives to using chemicals on their lawns.

The committee decided that golf courses, agriculture, forestry and public health measures would be exempt from any restrictions.

"I guess we are happy," said 10-year-old Christopher Mossman, who along with his eight-year-old sister Alexandra made presentations to the committee.

"Everyone made a small difference and it added up to a big difference."

Nearly 30 people spent Wednesday waiting for their chance to tell the committee what they thought.

Alexandra and Christopher said it doesn't make sense the city allows the use of chemicals labelled with skull and crossbones that require people and animals to stay away for two days after application.

"No one's been killed or harmed by dandelions," Christopher said, pointing out that continuing to use pesticides runs counter to the message at the city's annual mayor's environment expo. "What the city wants us to do and learn contradicts what the city is doing."

A number of people outlined health problems they blame on pesticides.

"I play dodge the pesticide," said Laureen Rama, an organic landscaper who wore a mask during some of the proceedings and told the committee the chemicals trigger her multiple-chemical sensitivities. "I've seriously considered leaving Calgary because we don't have a pesticide bylaw. You're going to lose me and other people if you don't move on one."

In April, Ontario introduced legislation banning the use and sale of pesticides for cosmetic purposes. If passed, the law would take effect next spring.

Quebec has similar legislation, and about 135 communities around Canada have pesticide-free bylaws. Alberta has no similar law, but is reviewing its rules on the sale and use of pesticides.

With municipal restrictions in place, local retailers would be unlikely to sell the products in question, but only the province can ban them from store shelves. City restrictions couldn't stop a Calgarian from buying a targeted pesticide, which would still be available elsewhere in Alberta. But if they applied the chemical within city limits and someone complained, they would likely face a fine.

The majority of those speaking Wednesday were in favour of the city's position, while even those who believe the decision should rest with the province agreed that the use of some products -- specifically weed and feed -- should be reduced. Brian Gibson, one of many from the lawn care industry who spoke, said after the decision he's not sure what it means for companies like his.

The Green Drop vice-president said professional companies aren't the problem, applying pesticides in appropriate amounts and locations.

"It's important the province get involved," he said.

A number of aldermen said the province should play a bigger role.

"Are we spending a significant amount of time, energy and money at the same time the province may, early this fall or next spring, deal with 70 per cent of our issues?" Ald. Gord Lowe asked.

Dave Day, the city's director of environmental management, said much of the work they'll do in the next few years would be the same whether the rules came from the city or province.

Ald. Ric McIver introduced a motion that will see the city ask the provincial government to move forward on making changes. Members of the committee, which saw as many as 10 aldermen sit in at various points, questioned how the bylaw would be enforced. They heard Toronto has issued three tickets under its pesticide regulations.

The final speaker of the afternoon, Robin McLeod, of Coalition for a Healthy Calgary, said she just wanted to go home and tell her children "I tried really hard so you can roll in the grass and eat wild strawberries."

- - -

Timeline

- December 2008: City staff discuss community standards bylaw with public.
- January 2010: Pesticide policy takes effect for city land.
- April 2011: Pesticide changes to the community standards bylaw come into practice for private land.
- January 2012: City begins enforcement.

Source: City of Calgary

Fort McMurray fish kill prompts investigation

The Edmonton Journal

Thu 26 Jun 2008

Page: B5

Section: Cityplus/Alberta

Dateline: EDMONTON

Source: The Edmonton Journal

Alberta Environment is investigating the mysterious deaths of hundreds of small fish last week in a reservoir near Fort McMurray.

The reservoir was built in the 1970s to divert water around a Syncrude mine.

The closest active mine is operated by Suncor, but a spokeswoman for Alberta Environment said investigators don't believe it was the cause.

"Our staff did inspect that site and did not find any evidence of contamination," Cheryl Robb said.

The department is awaiting lab results to determine how the fish died, but could not release any further information.

New Eco-Rules can shut oilsands; Regulator ends era of voluntary action after duck deaths on toxic waste ponds

The Edmonton Journal

Thu 26 Jun 2008

Page: A1 / FRONT

Section: News

Byline: Gordon Jaremko

Dateline: EDMONTON

Source: The Edmonton Journal

EDMONTON - Oilsands mega-mines can be shut down for dragging their heels on cleaning up toxic waste tailings ponds under a new policy released today by Alberta's Energy Resources Conservation Board.

"We would view that as a last resort," ERCB Fort McMurray executive manager Stephen Smith said. "Even the potential (of shutdown) is more than enough incentive for these companies to deal with that issue."

Penalties also include withholding approval of multibillion-dollar plant additions or permission to start up operations, Smith said.

ERCB chairman Dan McFadyen said in a statement that "tailings ponds are an important environmental issue in Alberta -- and more and more, becoming the focus of national and international attention. Many of the oilsands projects are not meeting the targets for the management of fluid fine tailings set out in their applications to the board."

The deaths of 500 ducks in April on a Syncrude tailings pond drew international attention to the ponds.

Since commercial oilsands production began in 1967, ERCB records show mega-mine ponds have accumulated 720 million cubic metres of tailings, or enough to fill 288,000 Olympic swimming pools 50 metres long, 25 metres wide and two metres deep.

The colossal liquid waste storage sites sprawl across 130 square kilometres of Alberta's bitumen belt. Tailings ponds fill 28 per cent of 470 square kilometres of northern boreal forest that the oilsands industry has mined or cut down.

The new policy replaces a voluntary element of oilsands regulation dating to the industry's birth in the mid-1960s, Smith said. The new rules go into effect in the autumn, after consultations with companies and conservationists.

Firms were traditionally trusted to keep promises to clean up, Smith said. No enforceable conditions, requiring specific action by certain dates, were written into provincial project approvals.

The voluntary approach reflected scientific and engineering uncertainty over results of early methods for disposing of waste.

The old system relied on firms to adopt the best available advances of a slowly evolving technology prone to unpredictable setbacks.

It is still a major research topic in industrial, academic and government laboratories.

Oilsands tailings cleanups take decades of costly efforts to make a toxic stew of leftover chemicals, bitumen and other things condense, then settle to the bottom of containment ponds as disposable solid waste.

The new ERCB policy still recognizes disposal takes time, but it will make the mega-mines establish cleanup programs that are enforceable, Smith said.

The directive sets a deadline of Dec. 31, 2009, for oilsands plants to submit plans, including schedules, for tailings pond construction, use, operations, closure and abandonment.

New requirements include clear performance benchmarks or standards that would enable ERCB inspectors to take action if companies let commitments slide.

The board's Fort McMurray office is also hiring four or five additional, full-time inspectors.

The annual number of plant inspections will about double to 30, Smith predicted. Oilsands audits take about a week.

Standard ERCB procedure includes surprise snap visits at any time during the industry's around-the-clock operations 365 days a year, he added.

Orders to shut oilsands sites down, while always a last resort, are made without hesitation if or when firms fail or refuse to comply with safety, environmental and conservation rules, board communications officer Davis Sheremata said.

Inspectors halted industry operations in conventional liquid oil and natural gas fields about 1,121 times since 2000, including 247 cases last year, Sheremata said.

Discussions are underway on launching an industry-wide effort to speed up development of tailings pond cleanup technology, Syncrude research manager Alan Fair said recently.

The ERCB hopes the new rules will foster improved co-operation among business, academic and government experts in the field, Smith said.

Finance and Enterprise (including Pensions/Insurance)

Heritage Fund is no Norway

The Calgary Herald

Thu 26 Jun 2008

Page: D1 / FRONT

Section: Calgary Business

Byline: Deborah Yedlin

Column: Deborah Yedlin

Source: Calgary Herald

Last week, a financial brain trust descended on Calgary and Banff for what really was a four-day seminar on economics, finance and the impact of resource wealth on public policy.

The timing of the event, hosted by the Haskayne School of Business, was more than a bit prescient as one of the panels involved the Norwegian central bank governor, Svein Gjedrem, who spoke primarily about the Norwegian Oil Fund. Given Tuesday's announcement about Alberta's budget surplus being \$4.6 billion, along with the fact the Organization for Economic Co-operation and Development recently issued a report recommending Alberta and Canada as a whole look at the Norwegian model, it's worth revisiting some of Gjedrem's remarks last Friday.

Norway's oil fund received its first transfer of revenue derived from oil production in 1996. The amount was \$400 million. Today, the fund is valued at \$400 billion and estimates are that it will double in the next five to 10 years.

By comparison, the Alberta Heritage Savings and Trust Fund was established in 1976 with an initial contribution of \$1.5 billion. According to most recent numbers, it now sits at around \$17 billion; crunch through the numbers and it appears Alberta has saved a mere eight per cent of its resource revenue since 1976. The fact it is 20 years older than Norway's fund, and not even five per cent of the value, is inexcusable.

As Gjedrem pointed out, Norway's fund was established in recognition that the wealth was coming from a non-renewable resource and that it would be a prudent tool to shield fluctuations in government income as well as cope with the financial commitments associated with an aging population.

To be fair, it has to be said that Norway's taxes are much higher than they are in Canada and that is one of the big differences that must be noted when talking about that country's fiscal situation.

The basic principle is this: The revenue produced by Norway's non-renewable resources is being exchanged for long-term financial assets to provide for future generations.

"The intent is for the wealth to be transferred to future generations . . . each generation spends the rate of return," said Gjedrem.

Now there's a novel thought for Alberta's leaders who, since Peter Lougheed left office in 1986, have completely missed the point of how the Heritage Fund should be managed. They seemed to have forgotten a basic lesson in savings: build up a pool of capital that is invested with the goal of having the dollars generate a certain rate of return; the capital is left untouched and continues to generate a stream of income.

In the case of the Norway fund, the monies generated from energy sector revenues are then transferred to defined governmental budget priorities. Also important is that it's invested outside Norway, thereby eliminating potential inflationary issues.

According to Gjedrem, the annual transfer from the fund to the government must equal the expected real rate of return, which is four per cent. When the Norwegian economy is strong, the transfer is less than four per cent; conversely the transfer is more than four per cent if the economy is weak.

As a case in point, there was no transfer last year, precisely because of robust economic activity.

"Everything has gone our way," said Gjedrem.

It was distressing, then, in light of the far-ranging discussions, that Alberta Finance Minister Iris Evans didn't address this notion of bolstering the Heritage Fund during her lunchtime address that day.

Instead, Evans stood in front of the crowd of very bright people and started her remarks with a comment about how many rich men there must be in the room and the fact she happens to be single. She clearly didn't understand the calibre of individuals in attendance.

What followed was anything but a visionary statement -- and sadly very out of step with the tone of the conference. Evans made passing reference to a recent forecast released by CIBC World Markets, which predicted the provincial surplus could reach \$11.6 billion for the 2008-09 fiscal year but stayed with the message the government won't contribute more than one-third of the surplus to the Heritage Fund.

When an organization such as the OECD weighs in with a report suggesting a more pro-active approach to managing the dollars generated by the province's resource wealth, it would be nothing short of foolish not to pay attention. Instead, Evans says she hears from people about how we should be saving on a weekly basis and seemingly dismissed the unsolicited advice out of hand.

"Alberta would be better served," said Todd Hirsch, chief economist with ATB Financial, "if the government laid out a long-term plan of how we're going to deal with the surpluses, and not just for the current budgetary cycle."

Instead, the focus remains short-sighted -- on keeping taxes low and using the energy windfall to fuel expenditures instead of saving and investing it. Economic booms do end -- as this one will one day. And sadly, Alberta will have nothing to show for it.

Snelgrove slams critics; Says advice on how to spend surplus is for other provinces

The Edmonton Journal

Thu 26 Jun 2008

Page: A4

Section: News

Byline: Archie McLean

Dateline: EDMONTON

Source: The Edmonton Journal

EDMONTON - Economists who say Alberta should put away more resource revenue can save their criticism for Quebec and other provinces with heavy debt loads, Treasury Board President Lloyd Snelgrove said Wednesday.

"What the hell are they saying to Quebec right now, when they're paying \$7.5-million interest charges and they're living off Canada like it's a God-given right," Alberta's powerful spending czar told the Dave Rutherford radio show.

Provinces such as Ontario and Quebec that "can't even manage to pay off their debt," he said.

Alberta's surplus last year was \$4.6 billion and is predicted to be bigger this year.

Snelgrove's comments came hours before the province unveiled a gift to be presented to Quebec's National Assembly in honour of the 400th anniversary of the founding of Quebec City.

In the wide-ranging radio interview, Snelgrove also mused about building a massive dam near Calgary to provide water for the city and about a big cash injection from the province to jump-start carbon capture and storage in the oilsands.

Snelgrove floats dam idea

The Edmonton Sun

Thu 26 Jun 2008

Page: 26

Section: News

Byline: BY CP

Dateline: CALGARY

One of Alberta's top cabinet ministers says the province should build a large dam upstream of Calgary to ensure there's ample water supply for decades, but the city's mayor says such a mega-project is unnecessary.

Alberta Treasury Board president Lloyd Snelgrove told a Calgary-based radio talk show yesterday the province should be spending its excess cash on key mega-projects for the future, rather than stashing surpluses into the Heritage Savings Trust Fund.

"We have to look at upstream storage of water," said Snelgrove. "And I believe from the heritage point of view, for a heritage fund, a dam that guarantees Calgary water for the next hundred years ... is a terrific heritage project."

Talk of a new dam in southern Alberta was news to Calgary Mayor Dave Bronconnier, who said the city already has water permits that would enable it to draw enough for a population more than twice its current size of about one million people.

Housing and Urban Affairs

Alberta Plans 'Unique' Bedroom Community

National Post

Thu 26 Jun 2008

Page: FP6

Section: Financial Post

Column: National Report

Source: Canwest News Service

The Alberta government's plan to use a public-private partnership to build a community for 20,000 people near Fort McMurray would be a first for Canada, says the director of the Canadian Council for Public Private Partnerships. "It would

be unique in Canada," said Jane Peatch. "I don't know of any other communities that have been done like this." The government committed on Monday to help develop two communities on the outskirts of Fort McMurray to house an estimated 40,000 people--nearly two-thirds of the town's current population. Lloyd Snelgrove, Treasury Board President, suggested the P3 model proposed for one community would be one of the biggest such partnerships in the world. Details on the P3 plan are still unclear. P3 projects frequently involve a private developer operating the project for a set period of time under a government contract. It is not known how much money the government would contribute or what responsibilities a private developer might have in the development.

Landlords responsible for criminal tenants; New law forces owners to deal with trouble-making renters

The Edmonton Journal

Thu 26 Jun 2008

Page: B5

Section: Cityplus/Alberta

Byline: Gordon Kent

Dateline: EDMONTON

Source: The Edmonton Journal

A provincial act taking effect this fall should make it easier to force landlords to deal with trouble-making tenants, Edmonton development compliance manager Mark Garrett said Wednesday.

The Safer Communities and Neighbourhoods Act will set up an investigative group within the Alberta sheriff's office to look into complaints about derelict drug and prostitution houses and shut them down if necessary, according to a city report. Any criminal activities uncovered will be turned over to police for investigation. Using civil courts rather than the more cumbersome criminal process, the law also allows judges to compel owners to control behaviour on their property.

Garrett said he likes the new act, which was passed last year.

"The sheriff's office will be able to say to the property owner, 'You're responsible for the activity happening on that property. Stop it or we will come and change the locks on the door.' "

Capital Health inspectors have condemned up to 100 rundown Edmonton houses annually, but neighbours have long complained many of the structures remain standing and become magnets for transients and crime.

The new act, passed last year, is similar to legislation in Manitoba, Saskatchewan, Yukon, Northwest Territories, Nova Scotia and Newfoundland.

The city already has several programs to manage deteriorating buildings, including the derelict housing unit, the minimum maintenance rules of the new community standards bylaw and the Stop Marijuana Grow Op committee. Limited staff and funding and other priorities restrict the amount of enforcement that's possible, the report said.

Coun. Don Iveson said he's pleased there will be more co-operation with provincial authorities.

"This is an issue in every corner of the city. Making sure we have the tools to deal with it and give the public confidence that their investment in the community will be protected ... is an important thing."

While Coun. Dave Thiele said the situation is improving, he thinks people still need to take an interest in their neighbourhoods.

"Public awareness goes hand in hand with that pride of being part of the city."

*Miscellaneous Government

Liberal leader expected to quit

The Calgary Herald

Thu 26 Jun 2008

Page: A1 / FRONT

Section: News

Byline: Jason Fekete, with files from Archie McLean, Legislature Bureau, and Chris Varcoe, Calgary Herald

Source: Calgary Herald

Alberta Liberal Leader **Kevin Taft** has scheduled a news conference for this morning in Edmonton, where he is expected to announce he will resign as party leader, but may hang on to the reins until the fall.

Following the Liberals' crushing defeat to the Tories in the March 3 election, **Taft** promised to make a decision on his political future by the end of June.

Party sources told the Herald that **Taft** will likely remain at the helm through the party's October convention and until a new leader can be chosen, possibly later in the fall or early next year.

"One possibility is that he wouldn't leave immediately, that he would stay on for a transition," said a senior Liberal source, who spoke on condition of anonymity.

The party's provincial executive could, however, ask **Taft** to resign immediately to kick-start a leadership race, but that's not expected.

Regardless of the timeline for his departure, **Taft**, 52, has vowed to remain on as MLA for Edmonton-Riverview until at least the next provincial election.

Liberal deputy leader **Dave Taylor**, of Calgary, and longtime Edmonton MLA **Laurie Blakeman** have already signalled they may make a run at the leadership, but only when **Taft** calls it quits.

"If he says that he's going, I'm going to give some serious thought to the possibility of running for leader," Taylor, MLA for Calgary-Currie, said late Wednesday. "And if he says he's staying, obviously I'm not (running for leader). Let's stay tuned."

Calgary-Varsity Grit MLA Harry Chase said that should Taft resign, he would like to see him remain as leader until at least the end of the year to help lead the party through the fall legislature session. "I hope whatever his decision is that there's a timeline associated with it," Chase said. "I would like to see a period of transition."

The election rout and potential exit as leader is a somewhat stunning reversal of fortune for Taft. He captured the party leadership in 2004 (after taking over from Lethbridge MLA Ken Nicol), and more than doubled his party's seat total in the provincial election that fall.

Just a year ago, Taft was celebrating a huge Liberal byelection victory in Ralph Klein's old riding of Calgary-Elbow.

And a public appetite for change in the lead-up to the March election -- along with eroding approval ratings for the Stelmach Tories -- had political observers expecting the Liberals to make some major gains across Alberta.

Instead, the Progressive Conservatives rolled to a massive majority -- claiming 72 of Alberta's 83 seats -- while the Liberals saw their seat total gutted to nine from 16. While the Grits improved their seat total in Calgary, they were spanked in their traditional power base of Edmonton.

Political observers said the writing was on the wall for Taft to step aside.

"If he decides to resign, it should be no surprise. The results of the last election were a disaster -- no question," said Keith Brownsey, political scientist at Mount Royal College. "There was an opportunity there and they failed to capitalize on it . . . as a result it's incumbent on Mr. Taft to step aside."

The logical successors are Blakeman and Taylor, Brownsey said, although speculation is sure to flow about whether former Edmonton Liberal MP Anne McLellan and Mayor Dave Bronconnier are interested in the job.

Should Taft depart, he will be remembered for bringing the party back from near obliteration, but also for failing to capitalize on a golden opportunity in the 2008 campaign, he said.

Calgary MLA Chase argued Taft should be credited for cutting the Liberal party's debt to \$450,000 from \$1 million just a few years ago, and for leading the charge on having the provincial government save more of its oil and gas royalties. "I don't know whether history will be hard on him or not," Chase said. "What history will record is that at the time (Ed) Stelmach was premier and Kevin Taft was leader of the Liberal opposition, for whatever reason, voters were disengaged." Glenn Rollans, who was the Liberal campaign co-chair for the last election, has known Taft since 1974, when they were both in high school. He wouldn't

comment on Taft's future, but said he should be commended for his service to the province.

Taft to step down as leader today; Expected to stay on as MLA for Edmonton-Riverview

The Edmonton Journal

Thu 26 Jun 2008

Page: A1 / FRONT

Section: News

Byline: Archie McLean

Dateline: EDMONTON

Source: The Edmonton Journal; With files from the Calgary Herald

EDMONTON - Alberta Liberal Leader Kevin Taft is expected to announce today he is stepping down from the position he has held since 2004.

Taft has been mulling his political future since the March 3 election, when his party took a beating at the hands of the Conservatives. He had pledged to make a decision by the end of June on whether or not to remain leader.

The timetable for Taft's exit is unclear, but he has said he will stay on as MLA for Edmonton-Riverview until the next election.

Party spokesman Larry Johnsrude would neither confirm nor deny Taft would step down.

Edmonton MLA Hugh MacDonald said he was unaware of Taft's intentions, but said he has earned the right to announce his plans on his own timetable.

Taft has held the party's top post since 2004, when he took over from Lethbridge MLA Ken Nicol. In that year's election, Taft more than doubled his party's seat total. In the intervening years he helped the party chip away at its debt and the party won a byelection in Ralph Klein's former riding.

Taft and the party believed they were on the verge of a breakthrough in the last election, but their number of seats in the legislature fell to nine from 16.

Since then, party members have been openly discussing options for the future, including dumping the Liberal name, teaming up with the NDP and Greens, or even starting from scratch with a new political entity.

If Taft, 52, does step down, it is unclear who would replace him. Edmonton MLA Laurie Blakeman has expressed interest, as has Calgary MLA Dave Taylor.

"If he says that he's going, I'm going to give some serious thought to the possibility of running for leader," Taylor, MLA for Calgary-Currie, said late Wednesday.

Calgary Liberal MLA Harry Chase said that if Taft resigns, he would like to see him remain as leader until at least the end of the year to help lead the party through the fall legislature session.

"I hope whatever his decision is, that there's a timeline associated with it," Chase said. "I would like to see a period of transition."

Glenn Rollans, who was the Liberal campaign co-chair for the last election, has known Taft since 1974, when they were both in high school. He wouldn't comment on Taft's future, but said he should be commended for his service to the province.

"He took a job that is a really difficult one," Rollans said. "Anyone who takes the job of Opposition leader in Alberta is really looking at service first and everything else second."

Rollans said Taft became leader at a tough time for the party and has done a steady job of building it up. Some of the party's most prominent policy planks, including eliminating health-care premiums and better environmental protection, have become government policy.

But for all that, the Taft he knew in person -- funny, hardworking and engaging -- never quite transferred well through the media or on an election stage.

Alberta Sunflashes Column

The Edmonton Sun

Thu 26 Jun 2008

Page: 4

Section: News

Byline: BY CP AND SUN MEDIA

Column: Alberta Sunflashes

ALBERTA BARKS BACK AT U.S.

Alberta is firing back at U.S. politicians who think the province's massive oilsands projects create "dirty" fuels that should be avoided to protect the environment. Energy Minister Mel Knight says American lawmakers will likely feel a backlash from consumers if they stop buying oilsands-based fuel and turn to more expensive offshore oil or alternative fuels.

"You start jacking up the cost of food and fuel to ordinary Americans, would that be in everybody's best interest? I think not," he said yesterday.

Knight was reacting to news reports that presidential hopeful Barack Obama is now talking about curbing imports of "dirty" oil from sources, including the oilsands. Earlier this week, U.S. big-city mayors passed a resolution urging a ban on using fuel from the oilsands in municipal vehicles.

DECISION TIME FOR TAFT

Kevin Taft will announce whether he will remain as Alberta Liberal leader after his party lost virtually half its seats in the March election.

Taft was to hold a conference call last night with his caucus members to announce his plans and then make a statement today at 11 a.m.

Taft could not be reached for comment. Those around him, including two MLAs, would not speculate on his plans.

The Liberals were reduced to just nine of Alberta's 83 seats in March. The Tories won 72 seats.

Columnists/Editorial & Comment

ATB a fly in Iris's ointment

The Edmonton Sun

Thu 26 Jun 2008

Page: 7

Section: News

Byline: BY NEIL WAUGH, EDMONTON SUN

While others are still focused on the \$4.6-billion surplus rapidly disappearing in Iris Evans's rear-view mirror this week, Alberta's finance minister is looking ahead.

And she is contemplating the possibility that she, through good fortune or just blind luck, may be presiding over that largest budgetary surplus in the history of the province. Maybe forever.

Sure, Evans's budget books show only a \$1.5-billion bulge in the bottom line for 2008-09.

Based on the conservative estimates - where the oil price was predicted to "trend down from record highs" - Iris built her budget on \$78-a-barrel oil and \$6.75-per-gigajoule gas.

As things sit right now, today's price is almost double what the finance department's energy price gurus were calling for in April.

So with five days still to run before Evans draws the bottom line under her first-quarter results, already calculators are burning.

The new surplus has been revised to "something north" of \$3.5 billion.

And if you believe that then you will also believe Treasury Board president Lloyd Snelgrove's goofy ramblings that he wants to build another water-retention dam somewhere on the Bow River.

If today's prices become this year's prices, some economists have estimated the surplus could crest \$12 billion. That certainly beats the gigantic \$8.5-billion surplus in 2006-07.

Plus, don't forget the \$7.6 billion stashed away in the rainy day Sustainability Fund. And another \$17 billion in the Heritage Trust Fund.

On Jan. 1, the new royalty structure starts pouring in too.

One dark cloud is the billion bucks in "asset-backed commercial paper" on the government's books that appears to have few assets backing it.

Mostly in the hands of the Alberta Treasury Branches which had to slash its general revenues dividend by \$232 million.

Expect more bad news to come on that file before the ATB meltdown is finally over.

Before that happens, Evans has a problem on her hands: What to do with all the money.

"Our surplus policy is one-third into savings and two-thirds into capital, both maintenance and new."

Except this year, the capital plan already has \$8.7 billion in it.

All the paving machines in the province are working flat out.

"It's a number that many of the other provinces would be very grateful to have," Evans winked.

And she insisted she's "not dodging the question on savings," even though she has a mandate letter from Premier Ed Stelmach telling her a top priority is to put together a strategy on savings.

Over that last four years a fresh \$7 billion has been pumped into the HTF. That's chicken feed compared to other energy-based sovereignty funds around the world.

Meanwhile, the Sustainability Fund has ballooned too.

"Hindsight is 20/20," she said. "Three years ago you would never have seen the boom coming as significantly as it has."

It's true, Ralph Klein let things slide a little when he got fixated on the debt.

Now it's catch-up time.

"If we can believe the oil price will hit \$200, then I've certainly got the luxury of a largesse of riches problem," Evans beamed.

She talked about the uncertainties of the business and commodity price cycles and "people who are challenging Alberta."

Whether they be envious eastern Liberals like Stephane Dion. Or clueless American mayors who don't quite get the devastating effect that cutting off 1.6 million barrels of synthetic crude and oilsands bitumen a day would have.

"I wouldn't be confident we're going to sustain the high price for oil over the long term," Evans sighed.

"But if we do, then, no doubt, we will be looking at other options."

Her "long term" could come as early as the last week in August when the first-quarter budget update is traditionally released.

That's where the finance minister promised to "make smart use of the revenues when they become available."

Already meetings are taking place where only three options are open for discussion: Save, save and save.

Time to fight "dirty" words with facts

The Edmonton Sun

Thu 26 Jun 2008

Page: 11

Section: Editorial/Opinion

Byline: BY ROY CLANCY

"Dirty oil," huh?

A resolution passed at their annual conference this week urged U.S. mayors to forbid use of oilsands-derived gasoline in municipal vehicles.

Considering that by 2020, Alberta's oilsands will pump four million barrels of oil a day - about a quarter of total current U.S. oil consumption - it could prove challenging and costly for these high-minded local politicians to find a separate spigot that will deliver only non-oilsands-based fuel to their vehicle fleets.

They don't like the oilsands because production of a barrel of synthetic crude emits higher CO2 emissions than conventional oil.

Mayor Kitty Piercy, of Eugene, Ore., the resolution's sponsor, obviously buys the campaign waged by environment groups against "dirty oil" from the oilsands.

Eugene uses hybrid and biodiesel vehicles. Her worship doesn't mind gasoline produced from oil that flows through the bloody battlegrounds of Iraq. Or from repressive regimes such as Iran, Nigeria or Sudan. And she doesn't mind biofuel from crops that generate extensive CO2 emissions to produce and ship and devour more and more of the world's limited supply of food-producing land.

The mayor sleeps well when her garbage trucks run on these fuels but draws the line at the "world's dirtiest oil," as enviro-extremists label oilsands production.

The insinuation even got Calgary Mayor Dave Bronconnier's dander up. "This resolution suggests a lack of understanding," he said, inviting his U.S. counterparts to Alberta to "help set the record straight."

That's good, because the province needs all the help it can get to counteract the alarmist rhetoric being heaped upon the oilsands development that's driving Alberta's economy and helps keep the country out of recession.

On a continent beset by fears about global warming, slogans like "dirty oil" pack a bigger emotional wallop than scientific jargon such as "carbon sequestration." Even many Albertans who should know better are beginning to wonder whether the project that's been a source of provincial pride and prosperity might actually be a source of shame.

There are environmental impacts from what's been described as the largest industrial project in the world and, obviously, these must be addressed.

The U.S. resolution left Premier Ed Stelmach reiterating that Alberta is a leader in environmental regulation. Emissions per barrel of oil have been reduced 45% since 1995 and Alberta Energy Minister Mel Knight says innovations in carbon capture and storage could bring oilsands emissions to a level equal to the production of conventional oil within five years.

Unfortunately, the mayors' misconceptions illustrate Alberta's lack of success at getting this message out, despite a \$25-million PR campaign.

The oil industry is getting the idea. This week it opened a website

(www.canadasoilsands.ca) that doesn't gloss over the environmental, social and economic impacts of the oilsands. It links to reports with diverse perspectives on the issue, not all of them flattering, and invites Canadians to share their opinions.

The environment will be a major issue in the U.S. presidential election and it's shaping up as the potential deciding issue in a federal election in Canada. The importance of painting an accurate picture of the oilsands and the province's and industry's commitment to meet environmental challenges can't be overstated.

Alberta's Mar weathering U.S. anti-oil storm

The Calgary Herald

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Section: News

Byline: Don Martin

Column: Calgary's Eye on National Politics

Dateline: OTTAWA

Source: Calgary Herald

There was a time when being Alberta's man in Washington, D.C. involved golf rounds and cocktail circuits of non-stop fun.

As America's most reliable energy supplier, the province rated a red carpet reception in a national capital thirsting for secure oil.

Not anymore.

Gary Mar is not yet a political pariah, but he's running an Alberta office in the Canadian embassy that's fighting negative perception battles on multiple fronts. Arguably the brightest cabinet minister to grace former premier Ralph Klein's front bench for more than a dozen years, he's been representing the province in the U.S. capital for less than a year and finds himself under increasing siege by an organized environmental backlash against the Alberta oilsands.

Mar's continuing to fight the threat from a U.S. energy bill that would prohibit federal agencies, including energy gobblers like the air force and post office, from buying oil produced by discharging above-normal emissions such as the oilsands. He opened a Washington paper last week on the day Senator John McCain was visiting Ottawa to front page headlines that the Republican presidential nominee rates Middle East oil preferable to the "dirty" Alberta oilsands.

He watched this week as U.S. big city mayors pushed for a boycott of tarsands product as environmentally unacceptable energy.

Now the kicker that Democratic presidential nominee Senator Barack Obama is talking tough against importing oil that emits excessive greenhouse gases, presumably including oilsands product.

It seems incredible that an energy rising rapidly in price amid dire predictions of an imminent global shortage suddenly seems vulnerable to a boycott from a nation depending on it for almost 10 per cent of its oil consumption.

Mar takes a safe line in describing his mission. "It's important that people understand we offer an important, safe, secure, environmentally responsible source of oil," he told me this week.

Easy to say. Harder to sell. And Mar knows it.

On a macro level, there's not much common sense behind the environmentalist drive to redivert oilsands product to faraway locations.

If the pipeline to the south is shut off, heavy oil will be shipped in gas-emitting tankers to China or India where it will be given a dirtier refining and burned in less fuel-efficient cars.

Besides, once the oil is floating on the high seas, any American boycott could be circumvented by international brokers directing tankers to unload at any U.S. port, notes Mar.

But a weird irrationality is taking over U.S. politics on environmental matters and Alberta needs to be cautious about dismissing the pattern as merely a lunatic fringe of green fanatics worried about dead ducks in tar ponds.

After all, you can forget federal or regional politicians if you want an accurate read on the public mood. The best pulse-taking politicians are the basic old grey mayors.

That's why the oilsands embargo proposed by a U.S. conference of mayors can be interpreted as the proverbial canary in the oilsands mine.

Alberta argues it's better for America to deal with the emissions devil it knows instead of some unpredictable military regime or royal family which might cut off supply on a whim.

True, but the reputation of the province and indeed the country requires more than an image makeover or some future vague regulations that cut emission intensity without reducing the actual discharge.

Signs of progress must be displayed soon to reassure Americans that while it's hardly green, the oilsands are aiming to shake the label of The Most Destructive Project on Earth assigned to it by Toronto-based Environmental Defence.

There must be a cleaner way, delivered faster and, given that Alberta just posted a \$4.6-billion surplus last year amid forecasts of a \$12-billion surplus this year if world oil prices continue to remain relentlessly high, it seems the province can afford the damage control.

But a top official from Premier Ed Stelmach's office recently confided to a private policy forum in Ottawa that piping carbon into underground sequestration will absorb 70 of the oilsands discharge, a figure most experts deride as delusional. Deputy minister Ron Hicks also warned the province would not accept a national or continental cap because it would transfer too much wealth from Albertans to "others."

That's an understandable reaction for a province sensitive to outside interests coveting its resource revenue motherlode.

But when U.S. mayors take a stand, it will soon be echoed by state and national politicians.

And that means Mar's life in D.C. may never be fun again.

Positive spin for oil sands needed now

National Post

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Section: Canada

Byline: Don Martin

Column: Don Martin

Dateline: OTTAWA

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OTTAWA -There was a time when being Alberta's man in Washington D. C. involved golf rounds and cocktail circuits of non-stop fun.

As America's most reliable energy supplier, the province rated a red-carpet reception in a national capital thirsting for secure oil. Not any more.

Gary Mar is not yet a political pariah, but he's running an Alberta office in the Canadian embassy that's fighting negative perception battles on multiple fronts.

Arguably the brightest Cabinet minister to grace former premier Ralph Klein's front bench for more than a dozen years, he's been representing the province in the U. S. capital for less than a year now and finds himself under increasing siege by an organized environmental backlash against the Alberta oil sands.

Mr. Mar is continuing to fight the threat of a U. S. energy bill that would prohibit federal agencies, including energy gobblers like the air force and post office, from buying oil, such as from the oil sands, that gives off above-normal emissions during production.

He opened a Washington newspaper last week on the day Senator John McCain was visiting Ottawa to headlines indicating the Republican presidential nominee rates Middle East oil preferable to the "dirty" oil sands version.

He watched this week as a gathering of U. S. mayors pushed for a boycott of tar sands product as environmentally unacceptable energy. Then came the kicker: Democratic presidential nominee Senator Barack Obama is talking tough against importing oil that emits excessive greenhouse gases, presumably including oil from the oil sands.

It seems incredible that a secure source of a product that's rising rapidly in price amid dire predictions of an imminent global shortage, suddenly seems vulnerable to a boycott from a nation depending on it for almost 10% of its consumption.

Mr. Mar takes a safe line in describing his mission. "It's important that people understand we offer an important, safe, secure, environmentally responsible

source of oil," he told me this week. Easy to say. Harder to sell. And Mr. Mar knows it.

On a macro level, there's not much common sense behind the environmentalist drive to divert oil sands product to faraway locations.

If the pipeline to the south is shut off, heavy oil will be shipped in gas-emitting tankers to China or India, where it will be given a dirtier refining and burned in less-efficient cars.

Besides, once the oil is floating on the high seas, any U. S. boycott could be circumvented by international brokers directing tankers to unload at any U. S. port, notes Mr. Mar.

But a weird irrationality is taking over U. S. politics on environmental matters and Alberta needs to be cautious about dismissing it as a lunatic fringe of green fanatics worried about dead ducks in the tar ponds. After all, you can forget federal or regional politicians if you want an accurate read on the public mood. The best pulse-taking politicians are the basic old grey mayors.

That's why the embargo proposed by a U. S. conference of mayors this week can be interpreted as the proverbial dead canary in the coal mine: a warning that danger is about.

Alberta argues it's better for America to deal with the emissions devil it knows instead of some unpredictable military regime or royal family that might cut off supply on a whim.

True, but the reputation of the province and indeed the country requires more than an image makeover or some vague regulations that cut emission intensity without reducing the actual discharge.

Signs of progress must be displayed soon to reassure Americans that while it's hardly green, the oil sands are aiming to shake the label of The Most Destructive Project on Earth assigned to it by Toronto-based Environmental Defence.

There must be a cleaner way delivered faster and, given that Alberta has posted a \$4.6-billion surplus, amid forecasts of a \$12-billion surplus this year if world oil prices remain high, it seems the province can afford the damage control.

But a top official from Premier Ed Stelmach's office recently confided to a private policy forum in Ottawa that piping carbon into underground sequestration will absorb 70% of the oil sands discharge, a figure most experts deride as a pipe dream. Deputy minister Ron Hicks also warned that the province would not accept a national or continental cap because it would transfer too much wealth from Albertans to "others."

That's an understandable reaction for a province sensitive to outside interests coveting its resource revenue mother lode.

But the U. S. mayors' stand will soon be echoed by state and national politicians. And that means Gary Mar's life in D. C. may never be fun again.

Alberta ready to play high-stakes oil game

The Calgary Herald

Thu 26 Jun 2008

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Section: News

Byline: Don Braid

Column: Don Braid

Source: Calgary Herald

It took a bit of pushing, but Finance Minister Iris Evans finally admitted Wednesday that Alberta might someday squeeze down the supply of oil, allowing the province to make a dramatic point in the energy debate.

"That would be very much a last-ditch, final measure," Evans said Wednesday.

"We are relying on diplomacy to make our point about Alberta's energy and are committed to that."

The cabinet hasn't discussed any measures to reduce production, Evans added.

But still, she "won't rule out" any tool at Alberta's disposal, including a gradual reduction to the flow of oil and gas out of the province.

A gesture like that would carry a shrewd double message: if you don't want Alberta's so-called dirty oil, alright, we'll send you less -- and reduce greenhouse gases at the same time. Even the anti-oilsands zealots would have a hard time arguing with that.

Of course, this would also lead to higher prices, a tighter supply and possible shortages. It could create an energy panic both in Canada and the U.S. This would be high-stakes poker for sure.

But it has been done before. On Nov. 2, 1980, Premier Peter Lougheed went on province-wide TV to announce Alberta would cut production to 85 per cent of capacity.

Eventually, the cuts would total 180,000 barrels a day, Lougheed said, but they would be suspended if any Canadians suffered from shortages, or if pricing talks with Ottawa started again.

The cuts never caused much hardship. Falling oil prices took the steam out of Ottawa's attempt to set regulated prices and, by September 1981, the two governments struck a deal anyway.

But Lougheed had reasserted provincial ownership of natural resources. That's still a bedrock provision of the Canadian Constitution, whether the federal Liberals and oilsands critics like it or not.

In today's context, the point would be broader. If Alberta's energy is too tainted for you, fine -- we'll just hang onto it and sell it to someone else. Somebody please dust off the port at Prince Rupert.

For the moment, as Evans said repeatedly, the government is counting on diplomacy to prove Alberta's is a reliable, friendly and increasingly green supplier of energy.

But there's a sense this isn't working. The political environment in the U.S, twists and spins almost daily as presidential candidates seek an angle on the new monster issue, energy and environment.

With gasoline above \$4 US per gallon, the Americans are on the hunt for scapegoats.

On Tuesday, Democratic presidential candidate Barack Obama made threatening noises about refusing oil from Canada's oilsands.

Obama holds the wildly contradictory view that taxes can be raised and some energy can be rejected, while supply will be adequate and prices will somehow fall. Good luck to him.

Within 24 hours, Republican John McCain gave a long speech about the evils of "foreign oil" without once even mentioning Canada, the oilsands or Alberta.

He called for new oil and gas production in the U.S., a reduction in auto emissions and a national cap-and-trade system to help transform the energy economy.

Where does that leave Alberta's oil exports? Is Canada's oil as evil to McCain as imports from Saudi Arabia? It's impossible to find a clue.

In this wild and shifting landscape, with gusts blowing both from America and central Canada, Alberta politicians have to made every effort to be reasonable. But they shouldn't check the brass knuckles at the door, either.

Look what Iris Evans found!

The Edmonton Journal

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Source: The Edmonton Journal

Spring is sprung! The grass is ris! I wonder where the surplus is?

Oop, there it is!

Finance Minister Iris Evans, whose real title should be Head Robin, has tugged another fat, \$4.6-billion surplus from the stubble of last year's crop of money, thanks to her predecessor's lowballing of oil-and-gas prices and likely tax revenue in the 2007-08 budget.

As Alberta "budgets" go, the final numbers aren't bad: The government was only out in its original 2007-08 revenue projections by \$2.7 billion, or about 7.5 per cent. It could have been far worse: officials in Evans' department could have been blindfolded when they threw the dart at the wall.

Now, if you are a new Albertan who still buys into the popular image of the party of Lougheed and Klein as a lean, mean, governing machine, you might think the surplus would be poured into savings.

And you might imagine that efforts would be made to improve forecasts in current and future budgets to reduce the likelihood of another mammoth "surprise" surplus next year.

If so, this is one of those times long-time Albertans might say: "You aren't from around here, are you, son?"

Nope, history tells us the money will be two-thirds spent in a spate of out-of-budget capital allocations -- as if there hadn't been enough of an increase in overall spending in the budget.

And underestimates of income-tax receipts and royalties will continue to rule the day. Budget 2008, unveiled a bit more than two months ago, based revenue projections on \$78 U.S. per barrel oil and \$6.75 Cdn. per gigajoule. At the current numbers -- north of \$130 a barrel and \$12 a gigajoule -- one can easily imagine Evans having serious leftover cash again this time next year.

Now in fairness, Alberta's recent history suggests that the moment you start counting on high prices you are asking for big trouble. But that only underlines the importance of stashing more of this surplus cash away for getting through bad times.

\$4.6B surplus sign of decline; Royalty review scared away trust and investors

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Source: Calgary Herald

In any province but Alberta, a \$4.6-billion surplus would be cause for hearty rejoicing. Here, however, it raises important stewardship questions. Has government policy -- its royalty review especially -- maximized revenue growth? Second, have revenues been well used?

Putting the \$4.6 billion in context, surpluses in each of the previous two years exceeded \$8.5 billion. With this year's contribution, that's more than \$20 billion since Alberta's debt was retired.

But how could the surplus fall by nearly half, in a fiscal year during which oil prices topped \$110 per barrel? It is a curiosity akin to being unable to organize celebrations in a brewery.

In a nutshell, although oil prices rose, total resource royalties declined, while spending continued to rise.

Resource revenue fell from \$14.3 billion in 2005-06 to just over \$11 billion in '07-08.

Spending rose from \$27 billion to \$33.4 billion.

That is a relative change of position of more than \$9 billion, and it makes short work of an \$8.5-billion surplus from three years ago.

This can only be called policy in crisis. One can say it was needed catch-up, to build roads, schools and hospitals not built while debt retirement was a popular priority -- and many do. Yet spending at this level cannot go on -- two finance ministers have said it -- and only growth in corporate and personal income tax receipts over this three-year period gave the government any surplus at all last year.

If spending most of the surpluses was the government's first policy failure, the second was a royalty review that caused resource revenues to fall, even as oil prices were rising.

For although an Alberta government has no control over the market, its policies do sway industry's willingness to explore. So, while falling gas prices and flatlined conventional crude revenues were largely offset by increased oilsands production coupled with higher prices, it's significant that sales of lease rights fell from \$3.5 billion three years ago, to \$2.5 billion, to a mere \$1.1 billion for the year just ended.

As lease sales are an indicator of future drilling activity and thus revenues, this is serious. Worse, this disinterest was peculiar to Alberta; Calgary companies were enthusiastically bidding up lease rights in B.C. and Saskatchewan.

Why not in Alberta? In our view, because post-review, the industry lost confidence in government good faith -- a point Finance Minister Iris Evans acknowledged to the Herald editorial board on Wednesday.

"It was apparent right after the royalty review that people went elsewhere. Our projections have been lowered."

To be sure, the government has now addressed some controversial details. But long after the injury heals, the industry will remember receiving it. Job 1 for this government is to restore confidence, and meanwhile hope the spot market continues to boil over.

Evans is a savvy politician, aware the government's spending regime cannot endure in the face of unpredictable revenues, and that she must now claw her way out of a pit dug by others. It will not be easy: politics is about dividing the spoils, and the possibility oil-rich Alberta can't pay for everything has yet to occur to some of the government's many client groups.

One must hope the government she represents has learned the cost of broken trust, and will support the savings plan she has promised for this fall.

Good stewardship means more than efficient spending; sometimes it just means less.

Alberta has come to that point. We wish the minister good luck.

