



AB Today – Daily Report November 1, 2019

Quotation of the day

“The total cost of the public service is a function of volume times price. So if the price goes up, we may have to look at further reductions in the public service.”

*Finance Minister **Travis Toews** said if an arbitrator rules in favour of a wage increase for public sector workers, the province will have to cut more positions through layoffs or attrition.*

Today in AB

On the schedule

The legislative assembly will reconvene at 1:30 p.m. on Monday.

Thursday’s debates and proceedings

Environment and Parks Minister **Jason Nixon** moved second reading of **Bill 19**, Technology Innovation and Emissions Reduction Implementation Act. Debate adjourned in the early afternoon.

In the legislature

Former B.C. Liberal Premier **Christy Clark** was in the legislature on Thursday, [and posed for](#) a photo with Children’s Services Minister **Rebecca Schulz**.

Premier watch

Premier **Jason Kenney** [attended](#) a Diwali dinner in Edmonton on Wednesday. On Thursday, he was not in the house during question period.

Kenney will head to Mexico City on an investment mission this weekend to spread his “open for business” message. He will speak at the [Trilateral Commission](#)’s North America Summit meeting on Saturday, where he will promote Alberta’s oil industry. Kenney returns to Alberta on Monday.

The cost of the mission, including two political staff and security detail, is \$24,000. The UCP’s recent budget allocated \$75 million for attracting investment from outside the province.

No jobs lost, while Kenney blames Encana's move to the U.S. on federal Liberal policies

Encana is changing its name and moving its headquarters to the U.S.

The Calgary-based company said Thursday morning that — pending approval from shareholders, regulators and the courts — it will rebrand as Ovintiv Inc. and move its corporate headquarters south of the border.

The company told shareholders that no jobs will be lost as a result of the move. “The silver lining is that, for now at least, this isn’t a loss of jobs for our city, and that’s my biggest focus,” [said](#) Calgary Mayor **Naheed Nenshi**.

In response to the news, Premier **Jason Kenney** [told](#) the *Globe and Mail* he will call for an early First Ministers meeting following Prime Minister **Justin Trudeau**’s November 20 cabinet announcement.

He also called on federal Environment Minister **Catherine McKenna** to be canned, and blamed the federal Liberals for overseeing “deliberate policy” designed to encourage a “broader decline of the Canadian energy industry.”

The request to relieve the environment minister of her duties is Kenney’s latest plea to the federal government, while others include getting the Trans Mountain pipeline built, a new equalization formula, and scrapping **Bill C-69** and **Bill C-48**.

Speaking to reporters on Thursday, Energy Minister **Sonya Savage** also blamed the flight of investment on Ottawa.

“It has been a very hostile environment to producers,” Savage said.

She said she was disappointed by the situation, but said the company had signalled as far back as 2015 that it had intended to move to a “headquarterless model.”

“Sadly, I cannot say I am surprised, as Encana has been shifting its efforts to the U.S. for years, in large part due to harmful policies in Canada,” Savage said.

When asked whether Encana's move was a harbinger of other corporate exits, Savage said she believes this was an Encana-specific decision.

“I think this is a tragedy for Canada,” said **Alex Pourbaix**, the CEO of Cenovus Energy — a Calgary-based integrated oil company that spun off from Encana in 2009 — on an investor call.

During an appearance on Radio-Canada, Encana CEO **Doug Suttles**, who moved from Calgary to Denver last year, [said](#) the company's relocation has nothing to do with politics and everything to do with capital.

NDP Energy critic **Irfan Sabir** reiterated his party's complaint that corporations benefiting from the UCP's tax giveaway are not using the savings to create jobs.

“Albertans were promised jobs today,” Sabir said. “What we are seeing are these companies, who are getting the benefit of their policies — getting \$55 million, getting \$233 million, they're not creating jobs here. They're not investing here, they're moving their investments out east and south. These government policies have completely failed Albertans.”

Government strikes deal to ease oil curtailment on producers who amp up crude-by-rail capacity

Following urgings from industry stakeholders, Energy Minister **Sonya Savage** announced early Thursday morning that Alberta will provide “special production allowances” to oil producers who increase the amount of oil they ship by rail.

The change to the province's oil production curtailment will take effect in December and will be based on how much oil individual companies shipped by rail in the first quarter of 2019.

Operators will have to reapply month-to-month. In order to be eligible for the first round of special production allowances, they must show they can add new capacity by November 7.

Currently, companies ship 310,000 barrels per day, but the government estimates there is room to increase crude-by-rail capacity by 500,000 to 600,000 barrels per day.

The province's oil production curtailment strategy was brought in by the previous NDP government in January to address the widening price differential between West Texas Intermediate and Western Canadian Select. The NDP also hammered out a plan to lease

rail cars so more oil could be shipped by rail right before the election — but it was kiboshed by the UCP.

The government is now planning to divest the crude-by-rail contracts to the private sector at an estimated cost of \$1.5 billion. A spokesperson for the UCP said an announcement on this file is “imminent.”

Regulations remain in place to give priority to grain shipments on the rails.

Today’s events

November 1 at 9:45 a.m. — Calgary

Education Minister **Adriana LaGrange**, Infrastructure Minister **Prasad Panda**, Community and Social Services Minister **Rajan Sawhney** and Calgary Board of Education chair **Marilyn Dennis** will make an announcement at Nose Creek School about new school capital projects included in the 2019 budget.

November 1 at 10 a.m. — Red Deer

Culture, Multiculturalism and Status of Women Minister **Leela Aheer** will speak at the Canadian Finals Rodeo buckle presentation at Westerner Park.

Topics of conversation

- Finance Minister **Travis Toews** once again shut down the idea that there is room for arbitrators to negotiate wage increases for public sector workers. If an arbitrator grants wage increases, that could lead to layoffs and more attrition, Toews told reporters Thursday.
 - “If there are wage increases through arbitration, then we’re going to have to deal with that somehow,” Toews said. “The total cost of the public service is a function of volume times price. So if the price goes up, we may have to look at further reductions in the public service.”
 - Toews said the government’s planned two-per-cent average wage cut, with some unions facing a proposed five per cent cut, is a reasonable one, considering the province’s fiscal position.
- The United Nurses of Alberta has filed a complaint with the Labour Relations Board, asking the body to direct Alberta Health Services to negotiate in good faith.
 - The UNA is taking issue with the government altering its bargaining position ahead of arbitration hearings on November 22. The UCP rolled back a previous offer of a zero per cent wage increase, and is now asking for a three per cent decrease.

- “Employers cannot legally move backward on bargaining positions previously tabled in negotiations,” UNA labour relations director **David Harrigan** said in a news release.
- Cabinet quietly passed a regulation amending the Management Employees Pension Plan’s 2020 contribution rate down from 17.20 per cent to 13.20 per cent.
 - Finance Minister **Travis Toews** said the contribution rate is coming down because the pension is fully funded, a positive news story.
- A section of TC Energy’s Keystone XL pipeline, which runs from Hardisty, Alberta, to Steele City, Nebraska, is [shut down](#) following a spill of approximately 9,000 barrels of oil in North Dakota on Tuesday.
- Former PC justice minister **Jonathan Denis** has registered to lobby the Alberta government in order to push for his law firm, Guardian Law Group LLP, to get a shot at handling the province’s proposed lawsuit against opioid manufacturers.

Appointments and employments

Land Compensation Board and Surface Rights Board

- **Jerry Krysa** and **John McCarthy** were reappointed to the Land Compensation Board and Surface Rights Board until October 30, 2022.

Grant MacEwan University

- **Meghan DeRoo McConnan** was appointed a member of the board of governors of Grant MacEwan University until October 29, 2022.

University of Lethbridge

- **Richard Casson** and **Lawrence Dean Gallimore** were appointed to the University of Lethbridge’s board of governors until October 29, 2022.
 - Cabinet also rescinded the appointment of **Georgina Knitel**, whose term was set to expire on October 17, 2020.

Funding announcements

Ministry of Justice

Associate Ministry of Mental Health and Addictions

- Justice Minister **Doug Schweitzer** and Associate Mental Health and Addictions Minister **Jason Luan** announced the government is doubling funding for drug treatment courts. The government will allocate up to \$20 million over four years.

Ministry of Agriculture and Forestry

- Agriculture and Forestry Minister **Devin Dreeshen** announced an increase in annual funding to combat the spread of the mountain pine beetle, which is native to Western Canada but has spread beyond its traditional range in recent years, causing damage to forest habitats.
 - Annual funding will rise from \$25 million to \$30 million until 2022-23. The cash will be used to conduct additional ground surveys and control work on more than 83,000 hectares of land.

Question Period

NDP kickoff

- Deputy NDP Leader **Sarah Hoffman** kicked off question period by asking about Encana's relocation of its headquarters out of Calgary.
 - "Why did this premier throw money at a company that isn't creating a single job for Albertans?"
- Government House Leader **Jason Nixon** responded by saying he was sad to hear the news about Encana's relocation — but then threw the blame back on the NDP.
 - "Our job creation tax cut is designed to create work, create jobs inside our province," Nixon said. "It's one component of a multi-component plan. But if the honourable member wants to know why Encana has left this province, and who to blame, she should look in the mirror. That honourable member even just recently stood on the steps of this legislature with protestors against our energy industry with communist flags flying."

Other NDP questions

- Opposition MLAs also asked about the cancellation of the University of Alberta's \$35-million infrastructure grant, rising school fees, cuts to police funding, how the phasing out of Energy Efficiency Alberta programs is discouraging energy efficiency, what's being done following a racial profiling incident at an Edmonton Catholic school, and why community league funding is on the chopping block.

UCP friendly questions

- UCP backbench MLAs asked about local trade school investments, protecting property rights, cutting emissions, drug treatment court funding, and what alternative funding sources are available to post-secondary institutions facing cuts.

Lobbyist registrations

If you are looking for further information on any lobbying registry, it is all public and easily searchable [here](#).

Consultants who registered as lobbyists from October 25, 2019 – October 31, 2019

- **Barbara Fox**, Enterprise Canada Inc.
 - **Clients:** Syngenta Canada Inc.
- **Randy Pettipas**, Global Public Affairs
 - **Clients:** Lundbeck Canada, Benga Mining
- **Peter Wallis**, Peter Wallis Consulting Limited
 - **Clients:** Centricity Transport Inc.
- **Philip Dewan**, Council Public Affairs Inc.
 - **Clients:** Husky Oil Operations Limited
- **Marc Kealey**, Kealey & Associates Inc.
 - **Clients:** Kaleo, Inc.
- **Jonathan Denis**, Guardian Law & Public Affairs
 - **Clients:** Guardian Law Group LLP
- **Nick Koolsbergen**, Wellington Advocacy Inc.
 - **Clients:** Western States and Tribal Nations Rural Natural Gas Initiative
- **Sheila Wisniewski**, Hill+Knowlton Strategies
 - **Clients:** EDP Renewables Canada, Intact Financial Corporation

Organizations that registered in-house lobbyists from October 25, 2019 – October 31, 2019

- ACTRA Alberta (Alliance of Canadian Cinema Television and Radio Artists)
- Becton Dickinson Canada Inc
- Desjardins General Insurance Group
- Energy Services Association of Canada
- Labatt Breweries of Canada
- Students' Association of Red Deer College
- BASF Canada Inc.
- Telesat Canada
- The Co-operators Group Ltd.

