

Mark Lisac's

Insight

into Government

Alberta's independent newsletter on government & politics

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We begin our 22nd year of reporting with an expanded edition that includes a look at major developments over the summer and a full page of recent cabinet appointments.

INSIDE THIS WEEK

Pg. 3: An expert panel is appointed to look into whether the province needs to change its savings and investment policies

Pg. 4: The premier has to settle a dispute over regional planning in the Edmonton area; local politicians are making savvy moves

Pg. 5: First-quarter budget update ... and the summer quickly

Pg. 6: The legislature's fall sitting and its new committees

Pg. 7: Aimco gets a chairman ... and other appointments

Pg. 8: Danny Williams changes the game on energy royalties; two co-chairs are named for the Conservative election campaign

RESEARCH

ECONOMIC DIVERSIFICATION, TAX CREDITS AND POLITICS

One of the Stelmach government's first big consultations produces a report that many welcome, but one that would kick the legs out from under 15 years of provincial policy direction

There wasn't much question the "task force on value-added and technology commercialization" was going to recommend a big provincial commitment to research (see Insight, June 29).

Now we know how big — **\$100 million** to help create three new venture capital funds, **\$30 million** for "seed-stage investment funds" and an estimated **\$150 million a year** (with no time limit) for new research and development tax credits.

Something will be done. The group was set up to consider how the government should support research, not whether it should. There's high-level interest in the government.

The task force did its job in three months. It heard only from groups with a strong interest in a bigger commitment.

More curiously, while technology firms were well represented on the task force's 15-member advisory panel, few made formal submissions. More than half the 40 submissions came from universities, related organizations, and quasi-government agencies such as the Alberta Research Council and Alberta Ingenuity Fund. A handful came from surprising sources such as the Alberta film industry and Alberta High Speed Rail Inc.

POLITICAL PULSE

ELECTION TALK

HE CAN CALL A VOTE WHENEVER HE WANTS

Rumours of a fall election took off early this summer and seemed to evaporate after about a week. Legally, a snap election is possible.

Ontario, Newfoundland and Northwest Territories residents will vote in elections held on a fixed schedule this October. A bill passed this spring fixes the date of the next federal election (barring a non-confidence vote) at Oct. 19, 2009. B.C. has fixed dates. In Alberta, there's at best lukewarm interest in fixed election dates.

The burst of media speculation in July was fed by the appointment of a manager and co-chairmen for the next Conservative campaign. It was extended by coy remarks from "senior Conservatives" who were apparently trying to keep the opposition off balance or just having a little fun.

Premier Ed Stelmach and a handful of advisers could decide to go. But the only compelling reason would be a strong belief that they would have a much better chance in November than in 2008.

Now look at reasons not to go early. Ignoring them is possible, but would look like panic.

They're not ready. Only a handful of PC candidates have been nominated. The party has set nomination deadlines that end Nov. 30.

Consider the prospect of a nomination blitz in October, during municipal election campaigns across the province, followed by a snap election in November with none of the new candidates having time to make themselves known. Not appealing.

Someone would have to find a good reason for an election, and a winning issue. Ralph Klein tried to hold an election about nothing in 2004; he paid a big price.

Then there's the machinery of government. A November election would see the premier going to voters with his flagship bills on a lobbyist registry (Bill 1) and tighter ethics legislation (Bill 2) still not enacted, and with the results of some major public consultations left hanging.

A snap vote would also mean disrupting the budget process for the second year in a row — and a second straight year of preparing a budget and legislature session while reorganizing cabinet.

That this scenario is even considered a possibility underlines how much power remains in the premier's office.

The six-member task force delivered its report on May 31. Advanced Education and Technology Minister **Doug Horner** took it to a cabinet committee before it was released in mid-August.

The report heralds a return to policies more closely aligned to the 1980s than to the Klein era. It contemplates a government shaping the marketplace and embraces the cause of “economic diversification,” a phrase that has largely fallen by the wayside.

There’s still no formal response. Action isn’t expected before the budget is released in February. The government’s response may vary by recommendation.

VENTURE CAPITAL: The task force recommends a \$100-million government investment. No surprise there, beyond the exact dollar figure. Complaints about the government’s hands-off policy have been around since the province sold Vencap to Onex Corp. in 1995.

This time there’s a twist. The report calls for creation of three separate funds. Each would have a roughly equal share of the government investment and would run for 10 years. Institutional investors are expected to come up with another \$100 million, private investors with \$100 million more. The private investment would come in large part from the general partners running each fund. Each general partner would be 100% owned by management.

The government would be a limited partner. Its interests would be subordinated to all other investors and it would play no role in running any of the funds.

The report says private investors should also qualify for a 25% investor tax credit. (See tax credits, below.)

A privately managed corporate trustee organized under the name Alberta Enterprise Fund would monitor the government’s investment.

The report offers no other detail on how the funds would operate.

That’s a lot of commitment and many grey areas. The report essentially recommends that the government hand \$100 million to private managers to invest as they see fit.

One big qualification: insiders expect the government would not hand over money in one big bundle as it did with Vencap, its earlier foray into venture capital. Instead, the province would likely commit to a certain investment, but put in funds only as cash calls are sent out to the investment partners.

Why not simply go with private investment? **David Martin**, task force chair and executive chairman of SMART Technologies of Calgary, said the members had a “huge debate” over how much money is needed. They settled on a big number. They also decided the government has to demonstrate it is taking the project seriously.

SEED-STAGE INVESTMENT: The \$30 million for “seed stage investment funds” is targeted toward what’s seen as a gap. The task force says many investors are very reluctant to put money into companies just starting out.

It took the seed-stage investment fund idea from New

TASK FORCE MEMBERS

- **David Martin (chair):** executive chairman, SMART Technologies
- **Doug Mitchell:** national co-chair, Borden Ladner Gervais LLP; past chair, Alberta Economic Development Authority
- **Russel Kalmacoff:** president, Rockmount Financial Corp.
- **Steven Collicutt:** CEO, Collicutt Energy Services
- **George Irwin:** director of technology, Fujitsu Consulting
- **David Cox:** CEO, TEC Edmonton
- **Howard Tennant:** business professor, University of Lethbridge; board member, Alberta Science and Research Authority

Zealand, which has also successfully started an equivalent to the proposed Alberta Enterprise Fund. The report concedes the province has already ventured into this area by putting millions into vehicles such as AVAC Ltd. (aimed at agricultural investments). It says more is needed.

It also says the government money should complement encouragement of an “angel investor network.” Martin said wealthy individuals and investment professionals have moved in recent years toward putting money into startups. But they tend still to focus on the energy industry.

RESEARCH TAX CREDITS: Tax credits have been off the table since the mid-1990s. Now they’re back on. Not just credits, but refundable credits, meaning investors could get large refunds even if they owed little or no tax.

The estimated \$150-million-a-year cost represents about one-fifth of current annual private-sector investment in research in Alberta.

Large gaps of information mark this section of the report. It notes that every other province except Prince Edward Island offers a complement to the federal scientific research and experimental development credit.

But it doesn’t say where the cost estimate came from.

It claims that “benefits from new economic activity and spillover benefits from companies sharing knowledge would more than compensate” for the annual cost.

Martin said the task force didn’t have a study to support that claim. The job of analysing the numbers has apparently been handed off to the Finance Department. “Those studies are going on,” Martin told Insight.

Some Conservative MLAs support tax credits. But this idea will likely generate the longest discussions and most skepticism. The government rejected a resolution from the 2006 PC convention for venture capital tax credits.

The proposed research tax credits involve huge money — about 50% more than the old royalty tax credits, which had murky goals and compliance problems (an audit of only 2%-3% of claimants in 2003 resulted in \$15 million in recoveries by the province). They would be a permanent commitment rather than the kind of one-time cash injection the government prefers; the effects would

be difficult to measure. A related recommendation to expand research tax credits to market research and “related commercialization” sounds like a wish list.

INTELLECTUAL PROPERTY: Intellectual property management has attracted some of the strongest interest. The report says licensing of IP needs to be streamlined and more incentives for IP creation are needed.

One of the biggest problems is reportedly that post-secondary researchers often receive money from a variety of grant sources. Each source tends to have different rules governing how any resulting discoveries can be patented and licensed.

It sounds obscure but some point to this area as one of the most important to get right, aside from the recommendations on venture capital.

The IP file may get a bigger cabinet push than tax credits.

A minor complication: colleges and technical institutes want to become bigger players in research; they don’t want research segregated in the big universities. That will become part of the discussion about how to structure post-secondary education in the province.

A NEW CLIMATE: Overall, the report urges the creation of networks of researchers and investors. Among the longer-range ideas is the creation of more entrepreneurs by “making hands-on company creation experience” part of the curriculum at business schools.

The panel also wants to find and build expertise.

Money hasn’t been in short supply in Alberta. Research-oriented firms have found, especially in biotechnology, that Alberta is short of experienced venture capital managers who can identify good bets and help small companies develop ideas. Nanotechnology is likely in the same boat.

The key will be finding the right general partners for the proposed venture capital funds. Some may have to be lured in from elsewhere.

The other overall theme calls for building Alberta’s capital market. That will go down well with a premier and finance minister both already disposed in that direction.

INVESTMENT POLICY

THE PREMIER LOOKS FOR HELP FROM NON-POLITICAL SOURCES

One of the most sensitive issues the government can deal with is going to get a relatively quick, three-month review from an independent panel appointed earlier this month.

Economist **Jack Mintz** will head a five-member Financial Investment and Planning Advisory Commission charged with reviewing whether the province is getting the maximum long-term benefit out of the approximately \$40 billion it’s socked away in savings and investment funds. That’s a big enough question on its own — but Finance

Minister **Lyle Oberg** has also asked the panel to “review whether the purposes, management and governance of Alberta’s various funds are clear” and whether investment policies match the long-term interests of Albertans.

That’s the nutshell description. More than 20 specific questions go straight to sensitive issues. Is the Heritage Savings Trust Fund the best use for surplus money? Does the fund have the right governance structure? Are the objectives of the province’s various endowment and special-purpose funds “consistent with the long-term interests of Albertans?” And many others.

This is a major overhaul.

A number of forces have led to this work. The most obvious is that the government has been piling up cash in recent years without a clear long-term plan.

Rules for what to do with budget surpluses and how much energy revenue should go directly into spending have changed on the fly each year. Sometimes they’ve changed within a budget year, most spectacularly with the \$400 per person “Ralphbucks” distribution.

There’s also been increasing political pressure. The Liberals have been promoting a savings and investment plan. The government could probably ignore that. They’ve had more trouble ignoring serious calls for a savings and investment plan from groups like the Alberta Chambers of Commerce and Canada West Foundation. Former premier **Peter Lougheed** has also been putting his weight behind a rebuilding of the Heritage Savings Trust Fund.

Where cabinet ministers and MLAs lean as a group hasn’t been clear. That’s likely one reason the issue hasn’t been settled.

Oberg ran for the Conservative leadership last year pushing a plan to bulk up the Heritage Fund to a size where its investment income could replace income taxes. Health Minister **Dave Hancock** likes endowment funds whose revenues are dedicated to certain areas such as advanced education. Others, including Premier **Ed Stelmach**, have been less specific. It’s notable, though, that the premier and a number of his supporters in cabinet don’t often speak enthusiastically about the Heritage Fund.

Mintz, a University of Alberta graduate, taught at Queen’s and the University of Toronto, then began a national and international consulting career and became president of the C.D. Howe Institute from 1999 to 2006. He takes over as chair of the University of Calgary’s new School of Public Policy early in 2008.

Other panel members: **Harry Buddle**, recently retired CEO of Servus Credit Union in Edmonton; **Daniel Halyk**, CEO and founder of Total Energy Services Ltd.; **Judith Romanchuk**, an investment banker with Leede Financial Markets Inc. of Calgary; **David Weyant**, general counsel and corporate secretary for the Calgary Health Region.

The panel is to report to Oberg by Nov. 30. Bet on the response forming a major plank in the government’s re-election campaign a few months later.

MUNICIPAL PLANNING

TOUGH, SMART POLITICAL MANOEUVRING AROUND EDMONTON

The premier knows decisions must be made and is pushing hard — will he have to wait until after the election?

The call for regional planning in the Edmonton region has reached a breaking point. Something will happen. Something is already happening. The province has established a January deadline for creation of a “capital regional integrated growth management plan.”

Clever political manoeuvring is accompanying the technical studies.

This dance affects coming municipal and provincial elections. It will also help determine how Alberta makes the transition to a society organized around metropolitan regions. Let’s take this in chronological steps.

Premier Ed Stelmach announced the growth management plan on June 12. He appointed **Doug Radke** as project manager this summer, without making an official announcement.

Radke was a strong choice. He served as deputy minister in a number of provincial departments, including municipal affairs. Last year he headed the unusually fast and comprehensive oilsands study; it led to big new provincial infrastructure investments in the Fort McMurray region and to the creation of a new oilsands secretariat.

He’s reportedly taken the same approach to this task as he did to the oilsands — break the project into manageable parts handled by consultants, backed by provincial staff.

Radke’s teams are looking at governance, infrastructure/transportation and social infrastructure. They’re to identify where opportunities exist for planning and what the approach might be.

A typical process might look at what’s in municipal development plans regarding transportation and how that links to Edmonton and to expected overall growth.

Local administrators and relevant deputy ministers are to meet Sept. 21. Political leaders are to meet Oct. 30 to deal with a draft report. A final implementation committee meeting of officials is tentatively scheduled for Dec. 14. The timetable suggests the main elements of the final report will be in place by early November — fast work.

Six local governments north and east of Edmonton registered significant objections in mid-July with release of a paper from their joint “co-operative municipal partnership.” The group comprises the Counties of Strathcona, Sturgeon, Parkland, Leduc and Lamont, and the town of Redwater — in other words, the area that will be home to oilsands upgraders and a lot of the associated residential development.

The partnership objected to regional agencies that might interfere with their own powers. They objected to any sharing of tax revenue rather than sharing of costs. They objected to proposals from Municipal Affairs Minister **Ray Danyluk’s** council on municipal sustainability that might lead to new types of municipal taxes.

They pointed out that experience in other metropolitan regions of Canada has led to mixed results.

They also registered a claim to have their voices heard individually. They weren’t happy that rural voices were represented on the sustainability council only through the Alberta Association of Municipal Districts and Counties. (But some city councillors think the AAMDC already creates too much drag in decision making.)

The partnership has some clout but is outnumbered. Members also know that Radke’s team is forging ahead at the same time that local governments are trying to work out a compromise. Stelmach made it clear in June that if the municipalities can’t deliver a regional plan, the province will write one.

Edmonton Mayor Stephen Mandel made his move last week. He called scores of local business leaders in for breakfast at the Macdonald Hotel. There he made a pitch for “true regional planning” for transportation, water and waste services, and residential development.

His vision: create an overall regional plan; establish any regional agencies necessary to deliver on it; ensure that growth costs are shared across the whole region. “And all of this needs to be enshrined in legislation.”

His speech was well received by an audience that notably included **Bob Carwell**, chairman of Stelmach’s Conservative leadership campaign last year. It was followed by three days of workshops intended to gather feedback from various economic sectors.

The unspoken political objective was brilliant: create a consensus in the business community for a strong regional plan — one that cabinet can’t ignore.

Mandel’s other strategic ploy has pluses and minuses. Unlike Calgary’s mayor, he hasn’t been hammering the province to cough up more money. That earns points with Stelmach; nearby counties with an expanding industrial base worry that he’s eyeing their revenue instead.

The next phase will see whether the suburban areas are building a counter-consensus the provincial politicians must take into account.

Municipal elections take place in October. A key marker will be how well Strathcona County Mayor **Cathy Olesen** does in her re-election bid. She’s been a strong critic of any effort to erode county powers.

If she does well, and if other candidates in neighbouring counties stress local autonomy in their campaigns, the premier will have a problem.

He won’t be able to ignore the need for a regional plan. But he will be taking chances if he calls an election right after moving on a plan that angers the suburban areas — just when population shifts may be turning them into a make-or-break political constituency.

THE SUMMER QUICKLY

**A HEALTH REGION TAKEOVER,
AND GOOD BUDGET NEWS**

It's been a summer of so-so news for the government — allegations of spying by the Energy and Utilities Board, a nasty controversy over seismic testing for oilsands deposits under Marie Lake, weak poll numbers for the government, the revelation that former MLA **Robert Maskell** has had about \$200,000 in government consulting contracts since 2004 and included \$7,138 in overbilling in that amount (apparently not noticed because normal checks were not done).

The less than comfortable news was book-ended by massive capital project funding announcements, and by news in the first-quarter budget update that the 2007-08 surplus is already on track to be higher than expected.

One fairly neutral development was the decision

to replace the board of the East Central Health Region with two administrators — **Jim Saunders** of J.L. Saunders and Associates Inc. and deputy health minister **Paddy Meade**. That followed a review of infection prevention and control at St. Joseph's Hospital in Vegreville and two other institutions.

It's part of a long pattern. Readers may recall that the board of the old Mistahia region resigned and was replaced by administrators in October 2000. An administrator replaced the Lakeland board in February 1999. An official review recommended changes to the old Crossroads authority in 1997, before it disappeared in the later reduction of 17 regions to nine.

Even some of the issues at East Central had old roots. They involved split authority at hospitals run by religious groups. Those issues have been around since the creation of the regional health authorities in the early 1990s — the government avoided a confrontation then by leaving Catholic hospitals with a certain degree of autonomy.

This week saw \$350 million announced from the 2006-07 surplus for maintenance and replacement work at schools, post-secondaries, health institutions and government buildings.

It appears there will be plenty more where that came from. The first-quarter update for the 2007-08 budget now forecasts the surplus at \$2.5 billion — \$297 million higher than initially estimated.

Higher than expected oil prices help counter weaker results on natural gas and the effects of currency exchange rates. Revenue forecasts have climbed \$830 million to a total \$36.2 billion. Spending is up \$533 million from the budget to \$33.7 billion, but none of the increase occurs in operating spending; it's mostly inflation and overruns in capital projects. Those and other changes will result in an extra \$192 million being put into savings in the Heritage Fund and an extra \$383 million being allocated to the capital account fund for spending in future years.

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LEGISLATURE ...

LEGISLATIVE REFORMS

FALL SESSION, NEW COMMITTEES ...

● New rules adopted this spring set firm dates for a fall legislature session. It will **begin Nov. 5 and end Dec. 6**, barring unusual events. Budgets now are to be released the second Thursday of each February (Feb. 14, 2008).

The remake of procedures included the creation of four all-party “policy field committees,” also known as standing committees of the legislature. Similar bodies exist in Ottawa and in a number of other provinces; Alberta closely followed the structure created in Saskatchewan.

Their first meetings this summer concentrated on organizational issues, and on educating the MLAs.

Serious powers: Legal staff told members of all committees that these bodies differ significantly from the government-only cabinet policy committees. The CPCs operate inside the Progressive Conservative caucus.

The standing committees are committees of the legislative assembly. That means they are “cloaked with the immunities, rights and privileges that the assembly has,” parliamentary counsel **Shannon Dean** said in one of her committee briefings.

Crucially, MLAs have the same freedom of speech in the committees as they enjoy in the assembly. Parliamentary privilege protects them from being sued for anything they say. The **same protection extends to witnesses** appearing before the committees.

The committees also have the power to **compel witnesses** to attend. The formal mechanism is a warrant from the Speaker.

What do we do now? The first meetings saw MLAs tread gingerly into what’s supposed to be non-partisan territory. They spent much of their time on organization.

Dave Taylor (Lib—Calgary-Currie) asked the committee on managing growth pressures to inquire into ways of developing more affordable housing and ensuring tenants are protected from unreasonable rent increases.

He pulled his motion after other members said they wanted to explore what other issues may be worth tackling, as well as how the committee should go about its work.

Taylor assured Conservative MLAs he was not trying to turn housing into a political football. He also promised he would not make a media issue out of the reluctance to proceed with his motion. Government MLAs on this and other committees showed eagerness to consult cabinet ministers or invite ministers to meetings.

The general uncertainty was summed up by **Denis Herard (PC—Calgary-Egmont)**. He told the committee on growth pressures that “one of the things that I am a bit confused about is what the mandate of this committee and

others really is. In other words, what is the scope of the things that this committee can involve itself with?”

Where are the boundaries? The committee on resources and environment grappled with a request from Environment Minister **Rob Renner** to consult the public on a review of beverage container recycling regulations.

Some MLAs wondered how much leeway the committee has if the public raises issues that aren’t considered by a minister who’s asked for a review.

Parliamentary counsel **Rob Reynolds** told them committees can go “a little beyond” what’s called for in a review request.

He also said some grey areas exist: “If the assembly says, ‘We do not want that going to the committee’ and the committee says, ‘Well, we want to consider it anyway,’ that would be an interesting issue.”

Communication issues: Advertising for public involvement sparked debate. The committee on government services initially decided not to advertise for submissions in its review of Bill 1 (the lobbyist registry) and Bill 2 (a tougher political ethics law).

Neil Brown (PC—Calgary-Nose Hill) successfully argued that public submissions on those subjects had been considered by an all-party committee he led less than two years ago. Committee members reversed their decision two weeks later and decided to advertise.

All the committees were faced with whether to include weekly newspapers. They heard a one-day ad package costing about \$15,000 in the major dailies would cost about \$41,000 more if extended to 94 weekly newspapers.

The immediate answers saw splits. The review of Bills 1 and 2 was advertised in the dailies. The review of Bills 31 (amendments to mental health law) and 41 (amendments to the law governing health professions) was advertised at both levels.

Some MLAs wanted ads in weeklies to ensure the broadest coverage for some issues.

Doug Griffiths (PC—Battle River-Wainwright) added, referring to his constituents: “Sorry to get political, but they don’t like the dailies because it’s full of headlines. It’s all blood and guts. They go to the weeklies to get their day-to-day information and just the facts, you know, and the positive story.”

Officials told members it was accepted that the initial advertising budget of \$80,000 for all four committees combined would have to be expanded.

New research office: The new committee structure has also led to creation of an office of committee research coordinator, headed by historian **Philip Massolin**. His office will undertake several key functions, including: preparation of briefing documents, collection of press clippings about any issue before committees, surveys of individuals or groups likely to want to make presentations to committees, and preparation of summaries of presentations.

People ...

Recent government appointments

Alberta Investment Management Corp. ...

● **Charles Baillie** appointed chairman and **George Gosbee** vice-chairman, each for a three-year term. Other board directors to be named later.

The government has established Aimco as a separate provincial corporation to manage tens of billions of dollars in government investments beginning early in 2008.

Baillie is former chairman and CEO of TD Bank Financial Group, having retired as CEO in 2002 and chairman in 2003. During 39 years at TD, he established TD Securities and oversaw the purchase of U.S.-based Waterhouse Securities Inc. and the acquisition of CT Financial Services Inc. He also serves as a director of CN Rail, Telus Corp., George Weston Corp. and Dana Corp., and is chancellor of Queen's University and a past chairman of the Canadian Council of Chief Executives.

Gosbee is chairman, president and CEO of Tristone Capital Inc. of Calgary, an international investment banking firm he founded in 2000. His career in the financial industry began in 1991 at Peters & Co., where he became the firm's managing director and member of the executive committee. He is also a director on the boards of Alberta College of Art and Design, Alberta Economic Development Authority and North West Upgrading Inc.

The regulation making the appointments sets out fees of \$20,000 a year for each director, an additional \$50,000 a year for the chairman, an additional \$10,000 a year for the vice-chairman and \$1,000 a day for each day a director takes part in a board meeting.

Oilsands secretariat ...

● **Heather Kennedy**, vice-president for operational excellence in the oilsands with Suncor Energy Inc., becomes assistant deputy minister in charge of the province's new oilsands secretariat, which reports to Treasury Board. She is former president of the Athabasca Regional Issues Working Group, which has called for more planning in the oilsands for the last two years.

The secretariat will co-ordinate work by a number of government departments to meet the demands created by rapid growth of the oilsands industry. Kennedy also retains her employment at Suncor, with the province reimbursing the company for her salary during her two-year term at the secretariat. Opposition parties and a number of private-sector voices sharply criticized the government's acceptance of her dual role.

Post-secondaries ...

● **Art Froehlich** and **Ralph Young** appointed as trustees of the Alberta Heritage Foundation for Medical Research

for terms to expire in July 2012. Froehlich is a former executive in several agricultural businesses, current co-chair of the Alberta Agricultural Research Institute and a member of other provincial agencies. Young is CEO of Melcor Developments Ltd. of Edmonton. ● **Mike Begin**, engineering graduate from the University of Waterloo and CEO of Spartan Controls Ltd., replaces Doug Mitchell as chair of the board of governors at Southern Alberta Institute of Technology for a term to expire Sept. 7, 2008; **William Lingard** and **Bernie Slogotski** appointed as board members ● **William Byrne** and **Jeffery Mulligan** appointed as members of the Athabasca University governing council ● **Marie Delorme** to the board of Mount Royal College ● Former MLA **Glen Clegg** appointed to a second term on the board of governors of the Northern Alberta Institute of Technology.

Provincial Court of Alberta ...

● **Morris Golden** appointed as judge in Grande Prairie and **W. Albert Skinner** as judge in Red Deer. Golden has practised family, civil and criminal law, and has been a Crown prosecutor in Grande Prairie for the last four and a half years. He has also been involved with Grande Prairie's new domestic violence docket court. Skinner was chief Crown prosecutor in Red Deer. He practised criminal law in adult and youth court for the last 28 years. ● Judge **Raymond Bradley** of Edmonton rural reappointed as a judge for a one-year term ● Judge **Nigel Lawrence** of Red Deer appointed as a part-time judge.

Alberta Alcohol and Drug Abuse Commission ...

● **Janet Skinner** as chief executive officer for a term to expire on May 31, 2008; replaces Murray Finnerty.

Other appointments ...

● **Carolyn Dahl Rees** to a two-year term as a member of the Public Utilities Board and Alberta Energy and Utilities Board ● **Lori Brooks** designated as vice-chair and **Kathleen McCalla** and **Nancy Leishman** appointed as members of the social care facilities review committee ● **Gregory Meeker** appointed to the Teachers' Pension Plan board of trustees ● **Rosemary Ann Pahl** appointed as a director of the Workers' Compensation Board, representing the interests of the general public ● Appointed as members of the Land Compensation Board and of the Surface Rights Board: **Grace Brittain**, **Leonard Dunn**, **Rodney Fong**, **Gregg Hook**, **Allen Maydonik**, **Edward Zenko** ● **Lorne Larson** reappointed to a list of public members available to serve on complaint review committees and hearing tribunals of the College of Alberta Professional Foresters and the College of Alberta Professional Forest Technologists ● **Laurence Bowes** and **Jim Edwards** to the roster of public members who can be selected for the discipline and appeal tribunals of the Institute of Chartered Accountants of Alberta ● **Yvonne Slemko** and **Linda De Bathe** as directors of Government House Foundation.

Talk ...

... in the Corridors

ROYALTIES

Danny Williams changes the rules ...

● Newfoundland Premier **Danny Williams** apparently won big this week in his negotiations for development of the offshore Hebron oilfield. It took only a few minutes for the first Internet postings to make disparaging comparisons between his approach to big oil companies and that of Alberta politicians. Many comments from Alberta favoured language like “spineless” and “stooges.”

Williams has obviously thrown a big wrench into Alberta’s review of energy royalties.

Anything that looks like timidity may be a poor sell.

Details may yet emerge that make the Newfoundland deal look less like a big win for Williams and more like a compromise meant to give him a flag to wave with a provincial election around the corner.

Still, the game has changed — with a report from Alberta’s royalty review panel only days away and Finance Minister **Lyle Oberg** promising a response within weeks.

Two main points can be made.

Williams challenged international firms. They walked away last year. He got them back to the table, and on board for what he’s calling a better deal for Newfoundland.

That undercuts all the warnings to the royalty review panel about dire consequences if Alberta raises its royalty rates. Some critics will also note that Venezuelan President **Hugo Chavez’s** onerous demands this year didn’t scare off all the internationals he was trying to soak. ConocoPhillips and ExxonMobil pulled out of the country but four other players, including Chevron, the lead firm at Hebron, stayed in — despite being restricted to minority ownership.

There’s a bright side: if there was any envy of Alberta wealth, it may be replaced now by laughter at the thought the province is being suckered by the oil industry.

Second, and possibly more important, Newfoundland is taking a **4.9% ownership stake in Hebron**.

That’s going to cost \$110 million and financial risk. It also tends to legitimize a government ownership policy that’s been out of favour in Canada since the early 1980s. An ownership stake may not appeal to Albertans. But it’s probably on the table now as a political consideration, especially with the government making a point of looking for innovative ways to invest its accumulated billions.

POLLS

Why concede they’re bad? ...

● It isn’t news that the Progressive Conservatives and Premier **Ed Stelmach** haven’t been racking up impressive numbers in political polling this year.

It is news when a spokesman in the premier’s office says the latest and worst results are “believable.” That’s what happened this week. A report from Cameron Strategy of Calgary had provincewide approval ratings for the Conservatives dropping to 32% this month from 54% in January, with some of the biggest plunges in Edmonton and Calgary. The undecided portion of the electorate doubled to 36%.

A number of things about this story warrant caution.

Cameron has a spotty history, getting an accurate reading just before the 2004 provincial election but being wildly off in last year’s PC leadership campaign (it claimed a two-way race between Jim Dinning and Lyle Oberg).

Cameron’s numbers tend to diverge well beyond margin-of-error boundaries from those of Ipsos-Reid, which also does frequent political polling in Alberta. Ipsos releases much more detailed information about its questions and exact responses (for example, showing how much opinion is moderately held versus strongly held).

The premier’s office didn’t point out such factors. Why throw in the towel? Either they’re getting similar readings through private polls and/or constituency feedback, or they’re privately confident and don’t mind playing a little rope-a-dope. The latter interpretation is supported by the continued inability of the Liberals and New Democrats to dent the polls despite the PCs’ apparent drop.

The best measure is for readers to gauge their own reaction. If you thought the weaker numbers looked “believable,” you probably have company. And that means something is afoot.

CAMPAIGN STAFF

Veterans sign up ...

● **Douglas Black** of Calgary and **Douglas Goss** of Edmonton, both lawyers, have been named co-chairs of the next Progressive Conservative election campaign. They join campaign manager **Randy Dawson** of Calgary and **Jim Campbell**, the party’s new executive director.

Black is vice-chair at Fraser Milner Casgrain in Calgary and chair of the firm’s national energy practice. Goss was a corporate lawyer and counsel at Bryan and Co. of Edmonton, but has turned in recent years to work in several public agencies and charities.

The appointments continue the integration of former **Jim Dinning** leadership supporters into Premier **Ed Stelmach’s** team — virtually a necessity, given their numbers and experience. Black was a fundraising chair for Dinning. Dawson, once an aide to former provincial treasurer Dick Johnston, started a successful liquor store in Canmore, returned to political consulting in Calgary via Spotlight Strategies Inc., and co-chaired operations for Dinning. He has also been highly active federally; he managed MP **Jim Prentice’s** 2003 federal Conservative leadership campaign. Goss was a Ralph Klein supporter.

Campbell also began his political life as a ministerial executive assistant. He later worked in government relations in Calgary.