

**Presentation to City Council Public Hearing
Transfer of Drainage Assets to EPCOR**

**September 27, 2005
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Good afternoon. In a way, I am here today in two capacities.

I'm here first as the President of the Alberta Federation of Labour, which is our province's largest labour organization, representing 29 unions and 115,000 members.

As a provincial advocacy organization, our focus is usually on issues of provincial policy.

But every once in a while, a local issue comes along that has the potential to affect a broad range of our members, not just as workers and union members, but also as taxpayers and citizens.

The proposal in front of us today - to transfer \$8 billion of City owned and controlled assets to EPCOR - is one of those issues. That's the first reason I'm here.

The second reason I'm here is more personal. As some of you may remember, up until very recently, I was chair of community planning for the Strathcona Community League. Even though I've moved on from that position, I'm still a proud Edmontonian and issues of municipal planning and development are still near and dear to my heart.

Given my background, and the magnitude of the decision Council is about to make, I simply could not remain on the sidelines.

At this point I'll admit that there are probably many other people better versed in the technical details of this proposal. So I won't try to delve into the intricacies of the transfer.

Instead, I simply want to raise a few questions that continue to float in my head (pardon the pun).

The first question is this: why are we trying to fix something isn't broken?

The Drainage Branch is a very well run city service. It's regarded as one of the highest quality systems in North America. The Goldbar plant is one of the best examples of environmental stewardship and effective water treatment on the continent. And even more importantly, Edmontonians, are very satisfied with the service.

So why, if we've got such a good thing going, do we want to mess with it?

EPCOR has indicated it wants to combine its expertise with the expertise from the Drainage Branch to create a Centre of Excellence. What I don't understand is why we need amalgamation to have cooperation. Surely EPCOR and the Drainage Branch can collaborate within the existing corporate structures.

My second question comes in two parts: why does EPCOR want the assets? And what's in it for citizens?

Reading the Price Waterhouse report and hearing the discussions up to this point it seems to me that this proposal is about two things - getting lower interest rates on loans for EPCOR, and making EPCOR more competitive for contracts outside of Edmonton.

But, is what's good for EPCOR necessarily good for the citizens of Edmonton? Is it really worth giving up direct control of our City's largest asset in order to help EPCOR shave a quarter point off the loans they need for corporate expansion?

On the subject of loans, I'm also concerned that any gain for EPCOR might be balanced by a loss for the City. If they get lower interest because of increased assets couldn't the city face higher rates because of reduced assets? Just as importantly, this proposal would essentially mean that our public assets would be turned into debt to help finance corporate expansion. I'm pretty sure that most taxpayers would feel justifiably uncomfortable having their public assets used to underwrite potentially risky business ventures.

The third big question I have is: how is all of this going to affect the City's future development planning?

If EPCOR owns the drainage assets, then they control the decisions about how those assets will be deployed, expanded and updated.

This has huge ramifications for Edmontonians for future development.

What leaves me feeling particularly unsettled is knowing, as I do, that not a single City Councillor sits on the EPCOR board - and that all interaction between EPCOR and City Councillors as shareholders is secret.

As a citizen, I would feel much more comfortable knowing that decisions about the future development of the city will be made here in this chamber, in an open forum and by people who are directly accountable to voters - rather than by corporate managers behind closed doors.

The fourth unanswered question I have is this: how is this transfer in the public interest?

When preparing for this presentation, I went searching for tangible ways that Edmontonians would benefit from the transfer. And you know, I was hard pressed to find any.

Will it lead to lower rates for taxpayers? Apparently not.

Will it lead to better service? I've seen no evidence it will. EPCOR's plan is to use the new assets to build its portfolio outside of Edmonton. Improving service here in the City is secondary.

Will it help us plan for our future better? No, it will actually take planning power away from accountable, elected officials and put it in the hands of unelected corporate managers whose interests may not coincide with the public's interest.

In the end, I think there are simply too many troubling questions attached to this proposal.

I urge you to think about these questions, and only move forward if you are completely confident about the answers. Let's not sacrifice public control over development for the sake of corporate empire-building.

Thank you.