



ALBERTA COUNSEL

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TRANS MOUNTAIN PIPELINE EXPANSION UPDATE

Scott Ondrack

With the deadline of June 18, 2019 looming for the federal government to rule on the Trans Mountain pipeline expansion, it's a good time to take stock of the current state of the project, as well as peer forward to some of the issues that may have an impact on the future of pipeline development across the country.

B.C. COURT OF APPEAL RULES AGAINST PROVINCE

The British Columbian government was struck a blow in their efforts to halt the expansion of the Trans Mountain expansion in a May 24, 2019 ruling. In a unanimous decision British Columbia's highest court has determined that any provincial restrictions on diluted bitumen would halt the expansion of the pipeline and pose "an immediate and existential threat to a federal undertaking that is being expanded specifically to increase the amount of oil being transported through British Columbia," according to the 66-page ruling written by Justice Mary Newbury.

Ex-Alberta Premier Rachel Notley used the opportunity to poke fun at B.C. Premier John Horgan's campaign promise to use "every tool in the toolbox" to block the project saying, "It turned out his toolbox was Fisher Price, not DeWalt."

Rachel Notley

While the ruling clears one hurdle for the troubled project, it is unlikely to end the British Columbian government's efforts to block the pipeline, as an appeal to the Supreme Court is widely expected to follow.

"We disagree with the decision and we're disappointed by it...the province has the right to appeal...we always said it should be before the Supreme Court," said B.C. Attorney General David Eby.

QUEBEC MAY BE UP NEXT

It appears Premier Kenney's overtures to Quebec, including speaking several minutes in French in his victory speech, may have fallen upon deaf ears.

The Quebec government recently passed a motion unanimously affirming its sovereignty over pipeline expansion within the province, "Quebec has the full legitimacy to refuse pipeline projects passing through its territory, including a potential relaunch of the Energy East Project, regardless of the pressure from the rest of Canada."

That legitimacy may amount to no more than mere puff on a page following the B.C. ruling though, as Alberta now has the legal upper hand. With the ruling the B.C. Court of Appeal affirmed that interprovincial pipelines remain solely within the federal scope of power. While Quebec may not be directly relevant to the current TMX debate, it has yet to be seen whether the B.C. judgement will have an impact on Quebec's handling of future pipeline expansion eastward.

ALBERTA LAUNCHES NATIONAL CAMPAIGN TO SUPPORT TMX

Alberta Premier Jason Kenney has shown he is willing to put the provinces money where the governments mouth has been in his efforts to secure federal approval for the troubled pipeline. Alberta's Energy Minister Sonya Savage was in Ottawa this past Wednesday in order to announce the United Conservative's new ad campaign in support of the Trans Mountain pipeline expansion.

The "Yes to TMX" campaign is aimed at convincing those outside the province of the economic benefits that the proposed pipeline would have across the country. The campaign is planned to be active at least through the June 18 federal deadline and has already cost the Alberta Government \$1.6 million in order to roll out in Ottawa alone. The hope is that their efforts and expenditures will pay off by getting the green light from the Feds prior to summer.

"We're hopeful that the government won't delay, but if they delay – if there's any delay – we could lose an entire construction season, and that will have unbelievable, detrimental impact to Alberta," stated Minister Savage at the unveiling of the ad campaign on Parliament Hill.

“It turned out his toolbox was Fisher Price, not DeWalt.”



SCOTT ONDRACK
Associate

Upon graduating from the University of Alberta with a Bcomm in Strategic Management, Scott spent nearly a decade operating his family's local small business. With loftier goals in mind, Scott pursued an after-degree in English Literature, gained experience as a Research and Communications Officer at the Alberta Legislature, and is currently going into his second year of the Law program at the UofA.



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A further \$1 million was announced Thursday for a similar campaign in Vancouver, the hope being that they can rally the people of B.C. to help convince their government to change its tune. "We're asking British Columbians to stand with Alberta, stand with their fellow Canadians, to ask the premier to say yes to Trans Mountain," said Minister Savage.

Premier Horgan was dismissive of the ads mentioning him by name, noting that he had been followed on the campaign trail by a billboard "troll truck" in the last election and that it, "didn't have a lot of impact."

FIRST NATIONS WANT A SEAT AT THE TABLE

While various efforts continue to seek to halt the project, an Indigenous-led group is attempting to rally 366 First Nations and Indigenous communities across Canada's western provinces in order to back a plan to purchase a 51 per cent stake in the Trans Mountain pipeline expansion project.

Under the group's plan, dubbed 'Project Reconciliation', Indigenous groups that sign up would receive dividends they would be able to use within their own communities. Furthermore, 80 per cent of the profits from the pipeline would go into a sovereign wealth fund which would be utilised to support infrastructure for indigenous communities and businesses.

Indigenous leaders heading up the group feel it is high time that they were given a voice when it comes to the management of Canada's energy resources. B.C. regional director of Project Reconciliation Shane Gottfriedson stated recently, "When we look at the future for First Nations, we've always dreamed of having a seat at the table and this ownership proposal would give us a seat at the table... we're excited about calling our own shots."

There has long been the feeling across many indigenous groups that their communities were not benefiting from the resources being drawn from and transported across their traditional lands. Project Reconciliation is seen as an opportunity to go beyond talk and actually make good on government promises of reconciliation.

WHAT ABOUT THE FEDS?

All parties are anxiously awaiting the upcoming Federal decision, and the expectation is that the Fed will grant approval for the project on June 18. A spokesperson for federal Natural Resources Minister Amarjeet Sohi said the federal government welcomes the B.C. court decision.

"It is a core responsibility of the federal government to help get Canada's natural resources to market and support good, middle-class jobs, but we know that is only possible when we earn public trust by addressing environmental, Indigenous peoples, and local concerns," said Vanessa Adams, Sohi's press secretary.

There are some though that fear that Prime Minister Trudeau may attempt to hide behind the inevitable Supreme Court appeal from the B.C. government in order to reject the project. The project has been plagued by various issues including the Federal Court of Appeal quashing the expansion last year due to inadequate consultation with affected First Nations. Furthermore, the general perception of the relationship between Kenney and Trudeau has been one of borderline antagonism, and between the national carbon tax and Bill C-69 currently being before the senate, those doubtful of Trudeau are provided some ammunition to back up their fear.

Yes or no? We can only speculate for now, but we will have our answer in just two weeks!

"We're hopeful that the government won't delay, but if they delay – if there's any delay – we could lose an entire construction season, and that will have unbelievable, detrimental impact to Alberta."

Alberta Energy Minister Sonya Savage



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Photo Credit: Brendan Brown



THE NEWS
from ALBERTA COUNSEL



ZACK ZIOLKOWSKI
Associate

After graduating from MacEwan University, Zack started working for the former PC government as a political staffer and moving into a role as the Director of Research and Communications for Government Members prior to the 2015 election. He also has an extensive policy background including work surrounding the Municipal Government Act on behalf of the Alberta Urban Municipalities Association.

POLITICAL EVENTS

UCP – Calgary Acadia AGM Saturday, June 8th @ 11am

Location: McDougall United Church, 8516 Athabasca St. S.E.

- Must be an active member to vote but all are welcome
- Tix: Free

NDP – Sarah Hoffman’s Lobsterfest Fundraiser Sunday, July 7th @ 5pm

Location: Woodcroft Community League

- Join the NDP Deputy Leader Sarah Hoffman for a delicious lobster feast
- Tix: \$125 (www.albertandp.ca)

UCP – Premier’s Stampede Breakfast Monday, July 8th @ 7-9am

Location: McDougall Centre Park (455-6th Street S.W)

- A great (and tasty) opportunity to mingle with what is likely to be the majority of the government caucus and other influencers
- Tix: Free

CPC – Northern Alberta Conservative Leader’s BBQ Friday, July 19th @ 6pm

Location: Millennium Place, Sherwood Park

- Join federal Conservative leader Andrew Scheer and conservatives from around the province for a steak dinner
- Tix: \$65 (\$95 after June 10th): www.edmontonwest.ca/bbq



Source: www.alberta.ca

KEY INFLUENCER PROFILE

RAY GILMOUR

Deputy Minister Executive Council and Secretary to Cabinet
Zack Ziolkowski

After the election win by the United Conservative government, many were expecting a shake up of the public service. Premier Kenney began with a modest shift at the Deputy Minister level of which one of the new appointees is Ray Gilmour with the top public service role of Deputy Minister of Executive Council.

Prior to his appointment in his current role, Mr. Gilmour served in several Deputy Minister positions including Municipal Affairs and Finance.

Before joining public service 12 years ago, Mr. Gilmour was Commissioner of Corporate Services for the City of Medicine Hat from 2001 to 2006. Prior to that, he spent fifteen years in the banking and financial services industry, his last three years as a Senior Relationship Manager with ATB Financial.

Mr. Gilmour graduated with a Bachelor of Science in Agriculture (BSA) from the University of Saskatchewan before going on to complete a Masters of Business Administration (MBA) at the same institution. He is a Certified Management Accountant (CMA) and a graduate of the Institute of Corporate Directors (ICD) at the University of Alberta. He was previously a Professional Agrologist (agricultural science) for 13 years with the Canadian Institute of Agrologists.

There is anticipated to be sweeping changes to the public service and Premier Kenney will utilize the Deputy Minister to implement these changes across the province. As such, the position of Deputy Minister to Executive Council will be one that is critical to watch in the months ahead - even more so than usual.



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JENELLE SASKIW
Senior Advisor

Jenelle Saskiw has over 17 years' experience in administration and as an elected official. She served four terms as a municipal councillor, eight years as a mayor, six years with the Alberta Urban Municipalities Association and three years with the Federation of Canadian Municipalities. Jenelle has a strong understanding and passion for municipal and provincial issues.



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MINISTRY OF RED TAPE REDUCTION: DETAILS SLOWLY EMERGING AROUND HOW MINISTRY WILL FUNCTION

Jenelle Saskiw

The newly elected UCP government vowed to reduce red tape in order to reduce what they refer to as unnecessary regulations that are currently hindering economic growth and development and to report back to Albertans by 2020. For the first time in Alberta history, Premier Kenney appointed Grant Hunter to take charge as the Associate Minister in charge of the Red Tape Reduction portfolio.

Premier Kenny recently stated that over-regulation is killing economic growth, particularly small businesses. The Premier was quoted as saying, "Small businesses feel this burden heavier than anyone else. The mom-and-pop shops and small businesses, well they're the folks who have to fill out the forms and contend with everyone from the revenue agency to municipal zoning to provincial regulatory bodies. These are the reasons why we need to go from regulatory paralysis to job creating action. Our goal is to transform Alberta from one of the slowest-moving and over-regulated economies in Canada to one of the freest and fastest-moving in the world."

The Associate Minister will not only focus on business but will use this opportunity to reduce unnecessary rules and duplication that affect municipalities and the not for profit sectors as well. Every ministry is currently gathering input on areas of reduction that can benefit each one of their sectors. Currently the province has approximately 1200 regulations and 473 Acts that impact business in some fashion. To date, the new Alberta government has already cut 17 regulations since being elected.

Introduced on May 29, 2019 under Bill 4, the government will create a series of industry panels to review and identify areas of concern within every one of Alberta's sectors. It will also implement a rule that will require all ministries to nix at least one old regulation for each and every new regulation created. It is the hopes that this will eliminate duplications and create transparency.

There are still a lot of questions concerning what information will be considered, how regulations will be prioritized and how the industry panels will be created. There needs to be a balance of experts as well as real-life people who are affected by not only the current regulations but the proposed changes. There will also need to be a safety net to ensure that the reduction of one regulation does not put undue pressure on other areas.

Although new to Alberta, multiple provinces have had red tape reduction ministries that have proven to be highly effective. In fact, Alberta is hoping to be replicating the successful model from British Columbia. Panels were established for every major sector of the economy, comprised of representatives with practical knowledge and experience in dealing with regulatory policy. The panels provide the government with ongoing input to the Associate Minister along with other relevant Ministers and officials regarding where regulatory savings can be determined. The first task is to identify "blatant" inefficiencies or "low hanging fruit" in 2019 in order to reduce what some economists estimate as the approximately 20% of regulations that are imposing 80% of the cost burden on employers and their businesses.

Alberta is committed to working with other premiers to accelerate the work of the Regulatory Reconciliation and Cooperation Table. Furthermore, to modernize the New West Partnership to achieve complete elimination of barriers to trade, full reciprocal recognition of occupational certification and apprenticeship between Alberta and other participating provinces. It is the thought that these are barriers that are currently impeding business growth and development not only in Alberta but across the country.

Although there are still a lot of questions surrounding this ministry, it is clear that Associate Minister Hunter has a full plate in front of him that will require a lot of time and effort to achieve.

We at Alberta Counsel will continue to monitor and provide updates as this portfolio evolves.



PASCAL RYFFEL
Director of Government
Relations

After completing his MA in Media and International Development, Pascal spent four years with the Alberta NDP Caucus. Pascal has been directly involved in Alberta politics for almost two decades, including as a candidate in 2008, and has a deep and current knowledge of Alberta politics. Pascal has been with Alberta Counsel since 2015.



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AT A GLANCE

In the Media

The Crown's Prosecution Service announced that it is seeking an out of province prosecutor to step in and provide police with advice during the investigation into voter fraud relating to the 2017 UCP leadership contest. The Government faced heavy pressure to ensure there is no perception of bias.

As wildfires in northern Alberta continued to burn the UCP Government approved the release of funds totaling more than \$6 million for emergency aid, including financial support for individuals to help cover costs such as travel, accommodation and food.

The UCP Government fulfilled a key election promise by announcing the end of the provincial carbon tax. The news conference was held on the day the smoke from the wildfires were at their thickest in Edmonton, leading many commentators to discuss the role of climate change in increasing forest fires. Premier Kenney responded by saying that a carbon tax would do nothing to prevent such fires.

The Calgary Board of Education announced it would have to deal with an anticipated \$40 million funding gap, assuming that no additional funds would be coming from the provincial government. The story gave ammunition to the NDP Opposition who is saying that Albertans can expect significant cuts to essential services like education.

In the Legislature

Within the first two weeks of the Spring/Summer session, the UCP Government wasted no time in getting to work on some of its key election promises. The UCP Government proposed almost two dozen changes to the Legislature's standing orders, including giving the MLAs the ability to abstain from votes and banning desk thumping in question period.

The UCP Government tabled Bill 3 (the Job Creation Tax Cut) which will gradually lower the corporate tax rate from 12 to 8 percent with the stated goal of creating 55,000 jobs. The NDP Opposition quickly accused the UCP of creating a \$4.5 billion hole in the provinces revenues while Finance Minister Travis Toews predicted that the economic gains from the cut would offset any revenue shortfall.

The UCP Government also introduced Bill 4 (the Red Tape Reduction Act) on Wednesday, which was a key promise in the party's election platform. The bill compels Grant Hunter, the associate minister of red tape reduction, to report annually on how much 'unnecessary regulatory and administrative requirements' were cut.

The UCP Government also issued an Order in Council to amend regulation to the Employment Standards legislation to lower the minimum wage for workers under the age of eighteen.

Orders in Council

Minister of Municipal Affairs

101/2019

The Lieutenant Governor in Council declares that a disaster exists, for the purpose of section 7 of the Fiscal Planning and Transparency Act, in the nature of extraordinary losses and damages and emergency response costs resulting from those wildfires, with respect to the 2019-2020 fiscal year.



BRONTE VALK
Senior Associate

After graduating from the University of Alberta with a Political Science degree, Bronte pursued her passion for politics by working on the campaigns of numerous progressive political candidates. This experience combined with her in-depth knowledge of Alberta's political affairs, drew her into advocacy work. Bronte has worked as a case worker in the Honourable Sarah Hoffman's constituency office as well as the MLA for Edmonton-Ellerslie's. Her connections with government caucus and strong advocacy skills make her a great asset to our team.



NOTLEY LIKELY TO REMAIN NDP LEADER THROUGH 2023

Bronte Valk

If you were one of the many Albertans in 2015 who voted for the New Democrats, it was unlikely you knew who the local MLA you were casting your vote for was. It is also likely that you were either unsure of or lacked knowledge about the New Democrat Party. Were they socialist? Would they rack up an obscene amount of debt like what done in Ontario? In 2015, your vote was for Rachel Notley, not your local MLA and not the party. While Canada has a history of disposing their Premiers after a party's loss- as seen in Ontario, Quebec, BC, New Brunswick and Ontario, Notley's high approval rating combined with a lack of strong alternative leader options exempts her from this fate. Party insiders are confident that Rachel Notley will stay on as leader of the Alberta New Democrats until the 2023 election is over.

NDP political staffers were acutely aware of Rachel being the selling point of their party throughout their time in government, and party advertising often always focused solely on the leader. "Rachel Notley is fighting for you" "Rachel Notley is making life more affordable for working Albertans". Rachel's name and face were everywhere and even two years into the NDP forming government, you likely still had no idea who your local MLA was. Being the party's strength and soul, it is difficult to imagine the Alberta NDP without her.

After the party failed to form government, many assumed that like Prentice did with the Conservatives, Rachel Notley would step down as leader of the party. She however did not, and as leader of the official opposition has continued her work, fighting for your everyday Albertan. The question is, how long will Notley carry on as Leader of the Alberta New Democrats and who are the likely candidates to replace her.

In the early years of the New Democrats time in power, the the most popular rumor coming from conservative insiders was that Rachel Notley is unlikely to run again and we will see Sarah Hoffman taking over the party in the next election. Sarah Hoffman, now Education critic and former, Deputy Premier and Health Minister in Rachel Notley's government became Edmonton-Glenora's first NDP Edmonton MLA in 2015. The riding, which has seen a significant change in its northern and western boundaries, oscillated between Liberal and Progressive MLAs. While Hoffman secured an impressive 68.4% of the vote in 2015, during the 2019 election that number fell to 58.1%. Still one of the most popular, competent and intelligent MLA's in the party, she would no doubt be a contender if the party was selecting a new leader. The only thing potentially holding Hoffman back from leadership is her role as the bulldog of the party. Both Shannon Philips and Sarah Hoffman have had attack dog roles in the Legislature, opening themselves up to more criticism than their caucus comrades. Likeability is key to leadership success and this might be why MLA Deron Bilous has a better shot than both Hoffman and Philips at becoming the next leader of the party.

Deron Bilous, MLA for Edmonton Beverly-Clairview, House Leader and now critic for a portfolio he was previously Minister of, Economic Development and Trade has talked jobs, pipeline and economy for the last four years of the NDP being in power. No doubt within the party, support for the pipeline is the biggest challenge NDP members will have to reconcile with and a future leader contender must appear as Alberta's oilsands champion. Deron was one of the new incumbent NDP MLA's prior to 2015 and won again in 2019 with 50% of the vote. As a great public speaker and well-liked among the business community, solidifying himself as the "moderate" NDP MLA. Out of all future leader candidates, Deron would likely be the one to lead the new party.

However, there are two potential underdogs, new to the Legislature that may outperform Deron during the next four years. Janis Irwin, winning in the extraordinarily progressive riding of Edmonton-Highlands, was third from Rachel Notley and David Shepherd for having the greatest victory. Capturing 63.4% of the vote, she surpassed the expectations of many. While this landslide win maybe attributed to the ridings history of having an NDP representative, her work as an advocate, community builder and a former federal NDP candidate in a contentious riding brought in an immense amount of campaign volunteers during the election. Janis now Deputy Whip and Critic of LGBTQ Issue, will have a difficult role in the next few years fighting against the new governments Education Act which opens the LGBTQ community to a great deal of vulnerabilities. However, as a champion for the one issue that often separates conservatives from new democrats, she will be in the spotlight for the next few years.

The second underdog might be Rakhi Pancholi, MLA for Edmonton-Whitemud and critic for Children Services. While Rakhi only won her seat by 48.5%, she has already had a strong presence in the legislature, pressing the new government for information about their childcare policy. Aside from Kathleen Ganley, and Rachel Notley Rakhi is the only other lawyer left in caucus and her skills in law will no doubt be of great use as an opposition MLA. While Rakhi has still a lot to prove to the party, she is most certainly one for readers to keep their eyes on.

The 2023 election will be a good indicator of whether Rachel steps down sooner than later. If the Alberta NDP suffers a colossal loss in the next election, it may be time for the party to select a new leader. Party insiders are likely trying their best to put off a leadership contest since it has the power to fracture a party. As the Green Party gains popularity in neighboring provinces, a leadership contest could provide hardline environmentalists with a path to power. MLA's like Deron Bilous and Sarah Hoffman have shown no hesitation fighting for Alberta's oilsands, but this may not be the case for other potential leader candidates. Notley has been famous for moving the Alberta New Democrats further to the center and there is a risk that this work may be undone. To maintain unity and the current support the party has in Alberta, it is my conclusion that Rachel Notley will hold onto power.

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