

# **BC TAP WATER ALLIANCE SEPTEMBER 6, 2011 PRESS RELEASE BACKGROUND (33 pages)**

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Minister

## **BRIEFING NOTE**

For Information

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**SUBJECT: New West Partnership and project charter – “*Collaboration and Information Sharing, Industry Water Use and Hydraulic Fracture Technology*”**

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**DATE:** August 3, 2011

**ISSUE:**

The Minister’s of Energy for British Columbia, Alberta and Saskatchewan signed a Memorandum of Understanding December 16, 2010 to provide for collaboration and joint action on issues related to unconventional shale gas development. One of several priority initiatives of the partnership is to work together to address fracture technology and water issues.

This briefing includes information on the water and technology collaboration working group that has been assembled from the three provinces, including staff from the Water Policy Branch of Alberta Environment.

Support for the project charter is requested from the Assistant Deputy Minister for Environmental Policy.

**BACKGROUND:**

In addition to other ongoing projects in Alberta that address shale gas regulatory issues the Ministries of Energy of the three western provinces have formed the New West Partnership to foster collaboration between the three provinces on emerging energy issues. A copy of the New West Partnership Memorandum of Understanding is attached.

One priority initiative of the partnership is to foster information sharing and collaboration between regulatory agencies in the three provinces. The project mandate is provided in an update to the New West Partnership signed by the Deputy Ministers for Energy in April 2011:

***“Collaboration and Information Sharing, Industry Water Use and Hydraulic Fracturing Technology. This is a priority for all three provinces. A working group will develop and share information on best practices related to water use, leading to the development of standards. A work plan will be developed by July 2011, with 18 months to develop recommendations for industry standards or guidelines.”***

The British Columbia Ministry of Energy and Mines is the lead agency for the project. Staff from the Alberta Ministry of Energy, Alberta Environment and the Energy Resources Conservation Board provide input to the working group for Alberta.

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A project charter has been drafted by the interprovincial “collaboration and information” working group to provide scope and objectives for the project. The charter includes a work plan for delivery of results over an 18 month period, beginning in July 2011. Members of the working group are listed in section 5.0 of the project charter (attached).

**Collaboration and Information Sharing, Industry Water Use and Hydraulic Fracture Technology, Project Charter**

The working group accepted all of Alberta’s input during development of the project charter. Peter Watson, the Deputy Minister for the Ministry of Energy is Alberta’s representative on the project steering committee. The project charter will be signed by the Deputy Minister for the Ministry of Energy and by corresponding authorities in British Columbia and Saskatchewan after the proposed charter is reviewed and accepted by the project steering committee.

Alberta Environment groundwater policy staff currently provide policy support for shale gas water management issues within the ongoing Energy Resource Conservation Board Unconventional Gas Review and will also provide input to the New West Partnership project.

The Alberta Ministry of Energy, Unconventional Gas, has identified the following policy initiatives related to shale gas development in Alberta and Western Canada:

**New West Partnership – Collaboration and Information Sharing, Industry Water Use and Fracking technology project.** The purpose of this committee is to develop and share information on best practices related to water use, leading to the development of standards. The Resource Development branch is coordinating DoE, ERCB and AENV engagement on this committee which also includes CAPP participation.

**Shale Gas Review Phase 1 (DoE).** The objective of this phase of the review is focused on information gathering and preliminary analysis to determine the potential nature and extent of changes to the policy framework, if any, to address shale gas development in Alberta. The Resource Development Branch is leading this project.

**Shale Gas Communications (GoA/CAPP& CSUG).** CAPP has approached the GOA requesting collaboration to enhance public communication on Alberta shale gas development. The DOE along with SRD, AENV and ERCB, are currently reviewing the CAPP request to determine the level of government involvement.

**Shale Gas Committee (DoE)** – Established in 2008 and chaired by Resource Development, this cross ministry committee shares information and will be used to facilitate and support Phase 1 of the Shale Gas Policy Framework Review and to enable enhanced coordination and communication on the progress of related GoA and industry association initiatives.

**Alberta Natural Gas Strategy (DoE)** – Led by Economics and Markets. A natural gas strategy document is under development. It will focus on maintaining short-term industry investment and longer term competitiveness of the Alberta and Western Canadian

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natural gas industry through efforts on research and technological development and the promotion of new markets.

**Well Spacing Framework (ERCB)** - the ERCB has proposed to remove subsurface well-density controls for CBM and shale gas reservoirs province-wide. Stakeholder feedback on the proposal was closed as of January 21, 2011. The ERCB is analyzing and evaluating select elements of the feedback received.

**Unconventional Resources Regulatory Framework Project (ERCB)** – The ERCB is looking at improvements to enhance an effective and efficient regulatory framework for unconventional gas and oil development to further mitigate risks to resource conservation, public safety, the environment, and to ensure orderly development, while using the least intrusive regulatory tool to mitigate risks.

**Shale Gas Water Use Strategy (ERCB,AENV)** - This policy initiative is lead by ERCB, as a component within the ERCB's overall Unconventional Gas Review. AENV staff and ERCB staff are collaborating to gather information from industry, and develop short-term medium-term and long-term actions to address water use, transport, storage and disposal issues for water in unconventional (shale) gas development areas.

**Shale Gas Mapping and Geological Study (AGS)** - DoE commissioned a study to generate maps and resource characterization reports. Reports will include resource assessment for gas, condensate and oil.

**Review of the Water Conservation and Allocation Policy (AENV)** – This review will be investigating potential regulatory options to effectively manage water uses for oil and gas development (conventional and unconventional reserves).

**CCME** – A backgrounder briefing has been requested to outline what was agreed to and the timelines for completion.

#### **RECOMMENDATIONS:**

Groundwater policy staff recommend that the New West partnership “Collaboration and Information sharing project” is of value in overall regulatory and policy development for shale gas development. The project charter supports development of improved communication with the public and stakeholders, sharing of information and collaboration on shale gas issues that are common to the three provinces.

Shale gas environmental concerns in the media and in the public in other jurisdictions are potentially problematic for energy development and environmental management in Alberta. Proactive collaboration by regulatory agencies in the three western provinces is one of several initiatives that may provide for better environmental outcomes and enhanced assurance for the public and local residents in areas of rapid development.

Several initiatives are underway by different groups within government and industry in Alberta and across Canada to address emerging issues and public interest concerns related to ongoing shale gas development in the United States, and emerging issues in Canada. It will be essential to maintain coordination between the different initiatives to

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prevent overlap and wasted effort. The New West Partnership project will expand collaboration and establish effective working relationships between provincial agencies that have separate mandates. Each province will continue to exercise independent regulatory processes and policies for energy development and environmental management.

An initiative has begun (July 2011) to address disclosure of fracture fluid chemistry publicly, lead by British Columbia Ministry of Energy and Mines and the Canadian Association of Petroleum Producers. This objective is included in the collaboration and information sharing project and will be the first deliverable of the project charter.

The Ministry of Energy is seeking the support of Alberta Environment for this project, through the Environmental Policy Division. Financial contributions are not needed. Staff time will be needed to support the work team (.25FTE over 1.5 years), within the context of ongoing water policy development for the oil and gas industry.

For Minister/Deputy Minister's Use:

- Agree with recommendations
- Disagree with recommendations

**MINISTER'S COMMENTS/DECISION:**

**CONTACT:** Robert George

**TELEPHONE:** 780-644-1122

**SUBMITTED BY:** Environmental Policy

- Requires legislative/regulatory change
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# **New West Partnership Collaboration and Information Sharing, Industry Water Use and Hydraulic Fracture Technology Project Charter**

**British Columbia  
Ministry of Energy & Mines  
Deputy Minister**

Steve Carr

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**Signature**

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**Date**

**Alberta  
Ministry of Energy  
Deputy Minister**

Peter Watson

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**Signature**

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**Date**

**Saskatchewan  
Ministry of Energy & Resources  
Deputy Minister**

Kent Campbell

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**Signature**

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**Date**

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## 1.0 Project Purpose

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To develop a common understanding and approach to collaboration and information sharing, industry water use and hydraulic fracturing technology in British Columbia, Alberta and Saskatchewan as identified in the New West Partnership Priority:

- **Collaboration and Information Sharing, Industry Water Use and Hydraulic Fracture Technology.** A working group will develop and share information on best practices related to water use, leading to the development of standards. A workplan will be developed by July 2011, with 18 months to develop recommendations for industry standards or guidelines.  
Lead: British Columbia

## 2.0 Project Background

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The development of unconventional shale gas resources in Western Canada began in about 2005. Innovative application of known technologies like horizontal drilling and hydraulic fracturing has allowed for development of previously uneconomic, deeply buried, gas-rich shales. This shift in exploration and development strategies has seen a wide range of techniques being tested and matched to different shale rock properties. In a number of situations, companies use very high water volumes to support a “slick water” type hydraulic fracture. Water used for initial shale gas exploration may be non-saline from surface or groundwater sources but full scale commercial operations need to consider the use of saline water. Hydraulic fracturing fluids can include water, hydrocarbons, gels or inert-gas based foams. Where high volumes of water are used, evaluation of alternative water sources and appropriate treatment and re-use of water can support a program of good water use management. U.S. reports on hydraulic fracturing and water usage have received considerable public attention.

British Columbia, Alberta and Saskatchewan have extensive regulatory environments governing traditional use of water for the development of oil and gas resources. With the advent of some types of shale gas fracturing techniques potentially creating a new large water use category a review of best practices and guidelines along with a consideration of what factors may benefit from a common western approach is needed to address regulatory outcomes, community concerns and industry’s need for water.

## 3.0 Objectives

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The key objectives of this project are:

1. To provide more confidence that hydraulic fracturing use of water for shale gas development is well managed;
  2. To support the achievement of regulatory outcomes; and
  3. To address concerns from the local community and help to address industry’s need for water.
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The project will assess industry practices and government regulations on water use to support shale gas development in the western provinces. The project will help to demonstrate that shale gas extraction is viable, safe and environmentally sustainable.

These objectives will be accomplished by pursuing outcomes in the following areas:

1. Review of shared information, development of industry practices (for consideration by government and industry) on water use requirements for hydraulic fracturing, identification of options for alternative water sourcing, water treatment and re-use, and fracture fluid disclosure. Provincial agencies will share information on hydraulic fracturing water use regulatory requirements in each of the three provinces, including water conservation and alternate sources of water, recycling and disposal of flow back water from hydraulic fracturing. Each province may develop provincial strategies for effective water management in areas of shale gas development;
2. Review opportunities for the western provinces to enhance communication and education of stakeholders and the public with consistent water use messages and terminology; and
3. Examine needs for surface and groundwater baseline information, including measurement and reporting while considering opportunities for common protocols or reporting systems. Technical requirements for baseline investigations (shallow fresh water aquifers and surface water) will be considered and appropriate recommendations for baseline investigation procedures and monitoring requirements will be prepared. Fundamental principles of environmental assurance will be developed and principles of baseline investigations, monitoring and investigation of potential environmental impact incidents will be developed, if possible, that are adaptable to the wide diversity of circumstances across the three Western provinces.

## 4.0 Scope

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### 4.1 In Scope:

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The scope of the project includes water use for hydraulic fracturing in British Columbia, Alberta and Saskatchewan's shale gas development areas. The scope includes science and possible future policy development based on best practices in support of conservation and responsible use of surface water and groundwater.

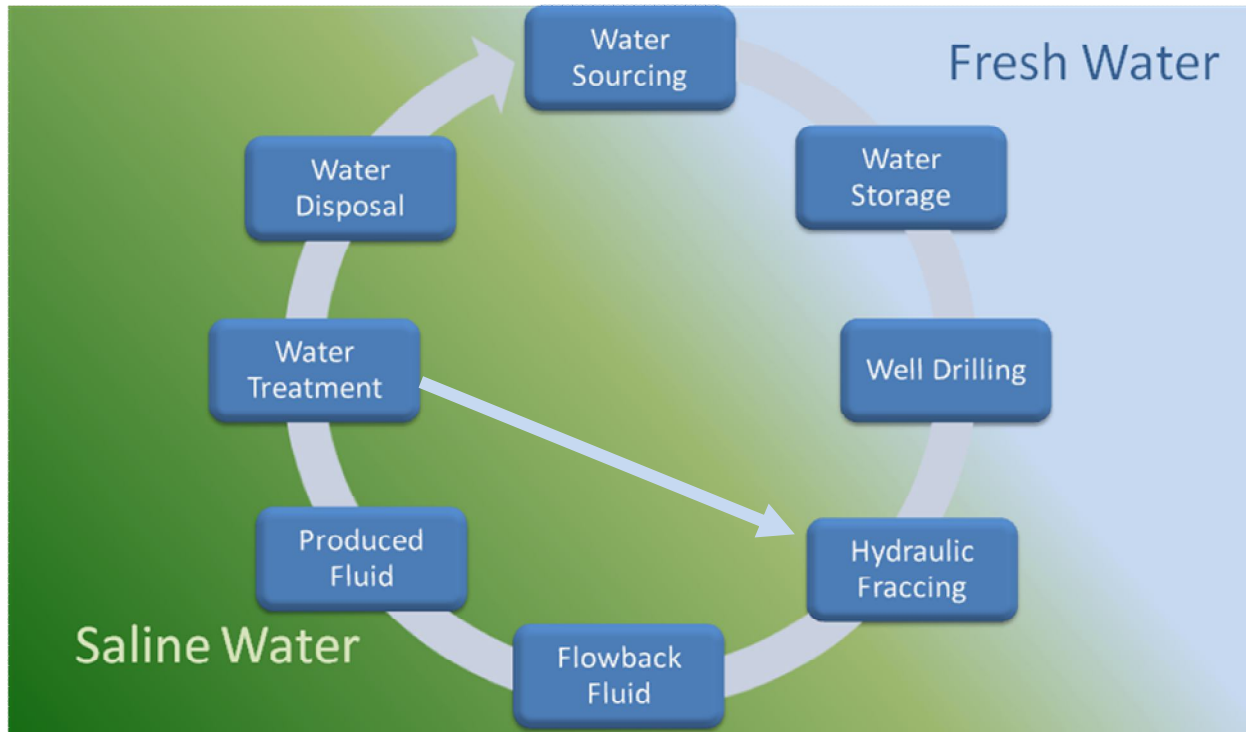
While fundamental water use principles may be common, the shale gas and water conditions may vary between the provinces and within different parts of a province. Accordingly, the project will not change provincial regulations or require any province to adopt a single best practice or guideline. The project should consider work currently being done on some of these issues and leverage off of this work rather than duplicating it. The project will focus on development of guidelines/best practices and fundamental water management principles that are adaptable to the variability found within a wide variety of resource constraints and competing development pressures.

Industry stakeholders will be consulted to compile a summary of current industry water use practices and a summary of current industry research and development initiatives. Recommendations for best practices will be reviewed and summarized.

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The water chart on the following page will guide the discussions and areas of focus.



#### 4.2 Out of Scope:

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The project does not include:

- coal bed methane development;
- oil shale development;
- new scientific research or water supply inventory or monitoring across the three provinces or the harmonization of legislation or specific regulatory procedures across the three provinces. Individual provinces will continue to be responsible for policy development and appropriate regulation of industry within their jurisdiction;
- consideration of bilateral agreements to address or harmonize water use issues in areas of cross-border shale gas plays; and
- major deliverables.

The deliverable documents for this project may include:

- a) Recommendations on the disclosure of fluids and the development of a hydraulic fracturing chemical registry;
  - b) Explore and make recommendations on the use of “green” chemicals in hydraulic fracturing;
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- c) Updated or new Industry Best Practices/Guidelines for water use in shale gas hydraulic fracturing where there is a common need in British Columbia, Alberta and Saskatchewan;
- d) Recommendations for future development of baseline environmental evaluations (water) and monitoring systems to provide public assurance or environmental sustainability in development areas;
- e) Recommendations for future development of new data gathering and reporting systems including updated or new water use and fracture fluid information reports (compilation and public reporting);
- f) Enhanced or consistent communication documents and key messages about shale gas development;
- g) Plans to address gaps in knowledge, research and industry practices or regulatory procedures. The project will document strategies within each province to address emerging shale gas water use issues; and
- h) Outline of hydraulic fracturing technology is needed for water in shale gas development as well as descriptions of approved experimental projects in Saskatchewan, Alberta and British Columbia.

## 5.0 Stakeholders

The following stakeholders' (internal and external) interests must be considered throughout the project:

Stakeholder	Participants
<b>Internal</b>	
BC Ministry of Energy and Mines	Linda Beltrano, Executive Director (Project Manager)
Oil & Gas Division	Adrian Hickin, A/Director
Geoscience & Strategic Initiatives Branch	Elizabeth Johnson, Senior Hydro Geologist
	Pat Kajda, Project Administrator
BC Oil and Gas Commission	Mayka Kennedy, Assistant Deputy Commissioner, Engineering
	Howard Madill, Director, Stewardship
Alberta Ministry of Energy Unconventional Gas Unit	Doug Bowes, Director
	Peter Weclaw, Manager
Alberta Ministry of Environment Groundwater Policy Branch	Ross Nairne, Head
	Robert George, Water Policy Advisor
Alberta Sustainable Resource Development	Jeff Reynolds, Executive Director, Land Management Branch
Energy Resources Conservation Board (ERCB)	Bob Willard
	Cal Hill
Saskatchewan Ministry of Energy and Resources	Ed Dancsok, Assistant Deputy Minister, Petroleum and Natural Gas Division
	Todd Han, Director, Petroleum Development
<b>External</b>	
Canadian Association of Petroleum Producers (CAPP)	Richard Dunn
	Lara Conrad

Stakeholder	Participants
	Christa Seaman

## 6.0 Issues and Constraints

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Issues and constraints that could impact project success include:

- Misinformation in the public media and communities facing shale gas development pressure;
- Lack of cross-provincial coordination of water use and energy policies and regulations;
- Emerging number of other potentially competing cross-provincial activities affecting shale gas development (e.g. Canadian Council of Ministers of the Environment (CCME) - Yellowknife, New West Partnership (NWP), Energy & Mines Ministers-Kananaskis) and the need for a coordinating plan;
- Lack of established government and coordinated communication strategies for water use for shale gas development issues within provincial governments and in the New West Partnership; and
- Lack of complete information in the context of a rapidly evolving industry.

## 7.0 Project Work Plan Overview

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It is anticipated this project will take 18 months. See attached Work Plan for details:

## 8.0 Critical Success Factors

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Critical success factors essential for achieving successful life cycle program implementation include:

1. Communication;
2. Stakeholder participation;
3. Coordination and collaboration amongst stakeholders;
4. Reduction in duplication;
5. Management support; and
6. Identification and assignment of dedicated resources.

## 9.0 Risk Assessment

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The following is a high level overview of risks that may be incurred by industry/government. Greater depth risk analysis will be needed and developed as work on Best Practices/Guidelines proceeds.

- The public is exposed to a mixed package of information and may not be able to come to an informed decision;
  - Environmental Non-Government organizations (ENGOS) are supporting a ill-informed campaign on hydraulic fracturing and water related issues in British Columbia and in other jurisdictions and this is expected to grow as shale gas development expands into Alberta and Saskatchewan;
  - The New West Partnership lacks a cohesive inter-governmental and inter-agency strategy to address growing public concern in the rapid expansion of shale gas development;
  - Positioning and policy development in other jurisdictions may affect individual province's competitive position and the ability of the three provinces to develop independent, effective and protective regulatory practices; and
  - The development of tight oil plays at the same time and in similar areas to shale gas development may produce confusion as to potentially overlapping regulatory requirements, best practices and separate water use issues.
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## New West Partnership Industry Guidelines/Best Practices for Water Use/Fracturing Workplan

Issue	Anticipated Deliverable	Timelines
Establishment of New West Partnership team	Participants to include regulatory bodies and CAPP Share point site has been established and access for all identified members	June
Issue Identification	Identification of issues that arise from fracturing and specifically water usage in BC/Alta/Sask	July
Development of Project Charter and Work Plan	Work plan to be sent to Deputies for sign off	July (to be completed by July 30)
Draft operational principles	Identification of common issues and principles BC/Alta/Sask and CAPP operate under	August/September
Workshop	Purpose of the workshop is to: <ul style="list-style-type: none"> <li>• Principles</li> <li>• Regulations</li> <li>• Demand/Supply Models</li> <li>• Strategies/Best Practices presently being used</li> </ul>	August 16
Communication Plan	Development of communication plan/strategy that deals with multi-stakeholders – communities, First Nations, ENGOs, etc. over time	Underway to be completed by August 16 workshop
Acts /Regulations/Practices	Identification of BC/Alta/Sask regulation/legislation/practices that affect water use for fracturing of shale gas wells	August/September
Hydraulic Fracture	Announcement regarding Hydraulic Fracturing Disclosure and Registry	September 6 – 7 2011 BC Oil and Gas Conference Fort Nelson, BC
Comparison and gaps	Identification of differences and gaps in industry practices and regulatory water management requirements in the three provinces	September/October
Jurisdictional review of US policies	To determine best practices and status compared to US jurisdictions	October
Review best practices that could work for a western	The focus is to begin with fundamental principles and strategies to address common issues of water usage by hydraulic fracturing	Fall/winter 2011/2012

<b>Issue</b>	<b>Anticipated Deliverable</b>	<b>Timelines</b>
province perspective	<p>Review of industry best practices will include variations in practices in different jurisdictions and development areas</p> <p>Existing variations in industry water management and variations in water supply needs and water recycling opportunities will be considered</p> <p>Water policy areas that may be considered for further development of Guidelines/Best Practices:</p> <ul style="list-style-type: none"> <li>•Depth of fracturing</li> <li>• Chemical usage and reporting</li> <li>•Use of alternative saline water</li> <li>•Recycling technology</li> <li>•Flow back</li> <li>•Use of fresh surface water and non-saline groundwater</li> <li>•Ground water</li> <li>•Water demand</li> <li>•Storage</li> <li>•Disposal</li> </ul>	
<b>Update</b>	Mid progress report	April 2012
<b>Final Report and recommendations to the Ministers</b>		February 2013

Note: This project may be completed prior to the 18 month period identified by New West Partnership.

# Notley: review needed as PCs seek to bury fracking opposition

August 18, 2011

Alberta's NDP Opposition environment critic Rachel Notley is calling for an independent investigation into hydraulic fracturing as a government document shows a PC plan to bury public opposition and co-operate only with industry.

"This document shows the PCs' contempt for everyday Albertans. The questions and opinions of Albertans should be respected, not treated as PR problems," Notley says. "The PCs are out of touch and cannot be trusted to manage Alberta's energy resources."

A cabinet document leaked today by Notley outlines a joint plan through the New West Partnership to demonstrate "shale gas extraction is viable, safe and environmentally sustainable", despite the "growing public concern" noted in the report. "Shale gas environmental concerns in the media and in the public in other jurisdictions are potentially problematic for energy development and environmental management in Alberta."

The Canadian Association of Petroleum Producers approached the government to join forces in a PR campaign favouring fracking, according to the document – a request the government is fielding. Meanwhile, there's no provision for public input on determining whether fracking should go forward in Alberta.

"There's a mounting body of shocking questions about the safety and sustainability of shale gas extraction. Other jurisdictions are studying the practice. The PCs don't really know if it's safe or sustainable – they're only consulting CAPP, who has a vested interest in pushing forward," Notley says.

"An NDP government would put the interests of Albertans first by establishing an open review that is independent, relies on science and consults with the public," Notley says.

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**For more information contact Richard Liebrecht, Communications Officer**

(o) 780.415.4634 (e) [Richard.liebrecht@assembly.ab.ca](mailto:Richard.liebrecht@assembly.ab.ca)

**Alberta's NDP Opposition - On Your Side.**

[www.ndpopposition.ab.ca](http://www.ndpopposition.ab.ca)

August 18, 2011

**Registrar, Lobbyists Act**  
**Bradley V. Odsen, QC**  
**Office of the Ethics Commissioner**  
Suite 1250, 9925 - 109 Street NW  
Edmonton, Alberta, T5K 2J8

I write to inform you of a possible contravention of the **Lobbyists Act** and to urge you to investigate and report on the matter without delay.

The Alberta Federation of Labour came into possession of a government of Alberta Briefing Note entitled, "**New West Partnership and project charter – "Collaboration and Information Sharing, Industry Water Use and Hydraulic Fracture Technology"**" (hereafter referred to as the 'Briefing Note'). The Briefing Note describes priority initiatives for the governments of British Columbia, Alberta and Saskatchewan to address fracture technology (a.k.a. "fracking") and water-use issues. I have attached a copy of said Briefing Note along with this letter.

Of particular concern is the section dealing with shale gas communications which states on page two:

*Shale Gas Communications (GoA/CAPP & CSUG). CAPP has approached the GOA requesting collaboration to enhance public communication on Alberta shale gas development. The DOE along with SRD, AENV and ERCB, are currently reviewing the CAPP request to determine the level of government involvement.*

**Section 1(1)(e)** of the **Lobbyists Act** defines the term "lobbying." Clearly the activity described in the Briefing Note is lobbying. That is, the activity described therein involves the development of directives and guidelines involved with the "public communication on Alberta shale gas development."

Furthermore, you'll note that according to the Briefing Note, CAPP "approached the GOA [government of Alberta] requesting collaboration." CAPP was not invited by the government to collaborate on public communication on Alberta shale gas development, rather CAPP approached the government. This distinction is important in that the **Lobbyists Act** allows individuals to submit information to a public office holder if that submission is requested by the public office holder (**Section 3(2)(c)**). The information in the Briefing Note makes it clear that is not the case here.

Thus, CAPP was lobbying the government of Alberta and although CAPP is in the Lobbyists Registry, none of the individuals lobbying the government on behalf of CAPP are registered as CAPP lobbyists.

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According to the Briefing Note, three people are listed as CAPP representatives: Richard Dunn, Lara Conrad, and Christa Seaman. Richard Dunn is a registered lobbyist with EnCana Corporation. Christa Seaman is a registered lobbyist with both Canadian Natural Resources Limited and Shell Canada Limited. Lara Conrad is not registered to lobby the Alberta government. We assume that these three people requested collaboration between CAPP and the Alberta Government to enhance public communications on Alberta shale gas development.

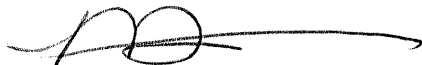
According to the **Lobbyists Act**, the designated filer for an organization must submit changes to the Registrar within 30 days after the change occurs (**Section 10(1)(a)** of the **Lobbyists Act**). It appears as though CAPP has failed to inform you, and by extension the Alberta public, of the addition of Richard Dunn, Christa Seaman and Lara Conrad to their coterie of registered lobbyists.

It is in the public interest that Albertans know who is lobbying the government and what they are trying to accomplish. It is our belief that the public interest has been undermined in this case. According to the Briefing Note, a private-sector, industry-oriented association (CAPP) approached the government to take the lead in developing a government public relations campaign on shale gas development in Alberta. The government appears to have acquiesced to this request and is in the process of determining government involvement, if at all.

Please consider this to be an official request for an investigation pursuant to **Section 15(1)** of the **Lobbyists Act** and if wrongdoing is found assess the highest penalty possible.

I sincerely look forward to your reply.

Yours sincerely,



**Nancy Furlong**  
**Secretary Treasurer**  
**Alberta Federation of Labour**

# Documents Reveal Industry and Gov't Collude on Shale Gas

**Alberta New Dems release secret agreements about handling public opinion.**

By [Andrew Nikiforuk](#),  
19 Aug 2011,  
TheTyee.ca

*Alberta NDP MLA Rachel Notley  
wants independent investigation.*



Alberta's New Democrats have called for a special provincial investigation of controversial shale gas drilling following the release of two leaked government documents showing strong collusion between industry and government on resource development in three western provinces.

A government of Alberta cabinet briefing note dated Aug. 3, 2011 says, "Shale gas environmental concerns in the media and in the public in other jurisdictions are potentially problematic for energy development and environmental management in Alberta."

The note also reveals that one of Canada's most powerful lobby group, the Canadian Association of Petroleum Producers, has approached the Alberta government about shale gas issues in order "to enhance public communication."

"It's another example of Alberta's Conservatives working behind closed doors with industry and keeping it as secret as possible," charged New Democrat MLA and environment critic Rachel Notley. She wants an independent investigation on the technology.

"My biggest concern is that there is a government plan to work with industry on shale gas issues in secret and it's largely about managing public opinion. It's not about science or eliminating the risk to groundwater or the public. It's about telling people they are doing something without actually doing anything."

Another related interprovincial document called for "collaboration and information sharing" on shale gas drilling with the goal of "providing more confidence that hydraulic fracturing use of water for shale gas is well-managed." Yet several pages later it admitted that "lack of complete information" in "a rapidly evolving industry."

Hydraulic fracturing, the practice of blasting deep rock formations with one to five million gallons of water mixed with tonnes of sand and chemicals, has sparked controversy throughout the continent. It's been the subject of lawsuits, bombing campaigns, moratoriums and ongoing U.S. government investigations and studies.

## **A fracking juggernaut**

In British Columbia two independent MLAs, Bob Simpson and Vicky Huntington, recently [called](#) for a public inquiry on the development of shale gas given its major impact on provincial revenues, water, land, First Nations and greenhouse gases. (Much of the province's shale gas is contaminated with CO<sub>2</sub>.) The highly subsidized shale gas industry is the largest source of revenue for British Columbia and Premier Christy Clark's chief political advisor is former shale gas baron Gwyn Morgan.

Although the technology of hydraulic fracturing has opened up vast supplies of natural gas and may be an energy game changer, it has also flooded the marketplace with cheap gas. Repeated fracking of well sites has also caused earthquakes, poisoned surface water, industrialized rural areas and contaminated groundwater and surface water with methane and fracking chemicals. Scientists have also raised concerns about the volume of methane leaking from shale gas operations into the atmosphere. Incredibly, the water-hungry industry has also applied to withdraw billions of litres of water annually from a major hydro-electric reservoir in B.C.

Over the last decade the fracking of 10,000 coal bed methane wells in central Alberta both fragmented critical farmland and contaminated water. Jessica Ernst, an oil patch consultant, has sued shale gas giant, EnCana, for \$33-million claiming her water was contaminated after extensive hydraulic fracturing near Rosebud, Alberta. At one point Ernst could even set her tap water on fire. Now she trucks in drinking water.

Her landmark 73-page [statement of claim](#) recently made international headlines. It alleges that two of Alberta's key groundwater regulators, Alberta Environment and the Energy Resources Conservation Board, "failed to follow the investigation and enforcement processes that they had established and publicized."

After researchers at Duke University in North Carolina found high levels of contamination in groundwater within a kilometre of fracked shale gas wells in New York and Pennsylvania, Alberta's Tories uniformly dismissed the science last spring.

"The experience we have with drilling in Alberta would preclude those kinds of results," [said](#) Alberta Environment Minister Rob Renner. (Alberta has been ruled by one party for 40 years and gets 30 per cent of its revenue from hydrocarbons.)

## **New West Partnership**

Both documents released by the New Democrats relate to the New West Partnership, a little known free trade deal between Alberta, Saskatchewan and British Columbia. The agreement essentially ensures that all three provinces must operate by similar environmental standards or the lowest common denominator.

Under the New West Partnership, Canada's three major hydrocarbon-producing provinces agreed to collaborate on industry water use and hydraulic fracture technology in Dec. 2010.

The secret agreement, which is not on the partnership's [website](#), admits that hydraulic fracturing fluids "can include water, hydrocarbons, gels or inert-gas-based foams." To date none of the three provinces have disclosed what toxic compounds are actually being used in fracking fluids.

### **'Growing public concern' noted in documents**

The lead agency for the collaboration and information agreement on fracking is the BC Ministry of Energy Mines and the project is led by Linda Beltrano. The deal acknowledges that the three provinces lack "a cohesive inter-governmental and inter-agency strategy to address growing public concern in the rapid expansion of shale gas development" and expresses concerns about regulations or policy that might "affect individual provinces' competitive position."

The deal also reveals that shale gas will create "a new large water use category" for which best practices and regulations don't really exist. The agreement's three primary goals are to boost public confidence, "address industry's need for water" and achieve vague "regulatory outcomes."

It also accuses "environmental non-government organizations" of "supporting an ill-informed campaign on hydraulic fracturing and water related issues in British Columbia." The only non-government stakeholder listed on the agreement is the Canadian Association of Petroleum Producers.

According to the plan, the three western provinces will shortly unveil "consistent communication documents and key messages about shale as development" as well as baseline water evaluations within the next couple of months.

The threat posed by hydraulic fracturing and unconventional oil and gas drilling to western groundwater is no idle matter. More than two million western Canadians use groundwater as their drinking [source](#). In fact nearly half of the population of Saskatchewan and one third of the citizens of Alberta and British Columbia rely on groundwater.

To date the majority of Canada's 30 major aquifers remain unmapped. Moreover all three provincial energy regulators have allowed hydraulic fracturing in coal seams, oil shale and shale gas plays without transparent groundwater baseline studies or monitoring as [recommended](#) by the Canadian Council of Ministers of the Environment in 2002. Without proper baseline data, regulators can't track groundwater contaminants.

# Alberta fears ‘misinformation’ by greens on fracking: report

## NDP calling for safety investigation

By Karen Kleiss,  
Edmonton Journal  
August 19, 2011

Leaked Alberta cabinet documents suggest the province is worried environmental groups will undermine public support for shale gas development by spreading “misinformation” about health and environmental effects of chemical fracking.

The records show the Canadian Association of Petroleum Producers has offered to work with the government to “enhance” public relations efforts. CAPP, a powerful industry lobby group, is the only non-governmental organization that will be consulted during inter-governmental talks.

“Shale gas environmental concerns in the media are potentially problematic for energy development and environmental management in Alberta,” an Aug. 3 briefing note says. “Several initiatives are underway by different groups within government and industry . . . to address emerging issues and public interest concerns.”

The documents were leaked to the NDP on Thursday, one week after federal documents obtained under access to information laws revealed CAPP helped organize the Alberta government’s public relations strategy to polish the image of the oilsands.

A draft project outline attached to the briefing note elaborates on government concerns, saying the public is being exposed to a “mixed package” of information and may not be able to come to an informed decision.

“Environmental non-government organization are supporting an illinformed campaign on hydraulic fracturing and water-related issues in British Columbia and this is expected to grow as shale gas development expands into Alberta and Saskatchewan,” the outline says.

“The New West Partnership lacks a cohesive intergovernmental and inter-agency strategy to address growing public concern in the rapid expansion of shale gas development.”

NDP environment critic Rachel Notley called on the government to launch an independent investigation into the safety of hydraulic fracking.

“The Conservative government has already made its decision around the safety and the pros and cons of hydraulic fracturing of shale gas,” Notley said.

“Having made that decision, they are now proceeding to simply find ways to enable industry to access it as quickly as possible.”

She said the documents show the government was “colluding” with other governments and industry to manipulate public opinion.

“The Conservative government is working behind closed doors with industry without any kind of public participation,” she said.

The briefing note was prepared by environmental policy officials and says “the Ministry of Energy is seeking the support of Alberta Environment for this project.”

Energy Department spokesman Jay O’Neill said the project outline is a draft document and has not been formally adopted by Alberta. “There were still changes being made to it as late as last week,” O’Neill said of the document.

The government has not decided whether to collaborate with CAPP regarding public relations, he said, and he is unaware of any plans to conduct an independent or scientific review of fracking safety. The leaked document also prompted the Alberta Federation of Labour to call on Alberta’s lobbyist registrar to investigate the possibility that CAPP has failed to register to lobby the government on shale gas messaging.

“None of the individuals lobbying the government on behalf of CAPP are registered as CAPP lobbyists,” the letter says.

Hydraulic fracturing, known as fracking, shoots a mix of water, chemicals and sand deep into the earth to break up shale rock and release oil or natural gas. The practice is controversial, as critics fear the chemicals will leak into the water supply.

In May, Duke University published the first peer-reviewed scientific study linking fracking activity with drinking water that has become so contaminated it can be lit on fire.

Jessica Ernst, an Albertan from Rosebud, has long claimed her water can be lit on fire due to fracking activity nearby. Earlier this month the New York Times published a story revealing that the U.S. Environmental Protection Agency found drinking water contaminated by fracking as far back as 1987.

# NDP raises concern over fracking

## Government says opposition commenting on draft documents

Saturday, Aug 20, 2011

By [Ryan Tumilty](#)

St. Albert Gazette

The Alberta New Democratic Party raised red flags about the government's approach to shale gas production this week, based on leaked documents that appear to show decisions have already been made.

The documents were leaked to the NDP and include a briefing note that was destined for the minister of the environment. The NDP alleges it proves the government is working with industry to sell the public on the shale gas industry.

Shale gas is gas that is locked deep in underground rock formations and companies use hydraulic fracturing, or fracking, to bring it to the surface. Fracking involves injecting water, chemicals and sand deep underground, to free the gas.

The process has raised concerns in other provinces and American states about groundwater contamination and other environmental concerns.

The government entered into a grouping called the New West Partnership with British Columbia and Saskatchewan in December 2010. One of the group's aims was to help deal with some of the issues around shale gas and come up with common solutions.

The charter agreement suggests the partnership has already decided to promote shale gas regardless of the risks.

"This project will help to demonstrate that shale gas extraction is viable, safe and environmentally sustainable," the document reads.

NDP critic Rachel Notley said this is a very worrying sign.

"The concern is that the Conservative government has already made decisions about the safety of shale gas," she said.

The briefing note suggests the government will have to sell the idea of shale gas and fight misperceptions.

"Shale gas environmental concerns in the media and in the public in other jurisdictions are potentially problematic for energy development and environmental management in Alberta."

The document also states the charter does not intend to do more research on the environmental safety of fracking.

Notley said that shows twisted government priorities.

“What these documents show is that the government is at least as concerned about manipulating and managing public opinion around the issue of the environmental concern around fracking than actually figuring out what the safety levels are.”

The briefing note also mentions that the Canadian Association of Petroleum Producers have approached the government about coming up with a common approach to public relations on the issue, but said the government is still considering the idea.

The charter does list the organization as a stakeholder that needs to be consulted when the government develops policy.

Erin Carrier, a spokesperson for the ministry of environment, said the NDP was quoting selectively from the document.

She also emphasized the briefing was just a proposal.

“It was a draft briefing note that hadn’t even gone to our minister yet,” she said. “It is a proposal for jurisdictions to work together.”

Notley said she is deeply concerned about the amount of water fracturing could use.

“In northeastern B.C., where this type of fracking has been used, the oil companies have been licensed to use the same amount of water that is used by the city of Vancouver every year, so that is how much water we are talking about.”

Jay O’Neil, a spokesperson for the energy department, stressed that the project charter was also very much at the draft level.

“The project charter is still at the level of working public officials.”

He also stressed the government leaves regulation of the industry in the hands of the Energy Resources Conservation Board (ERCB).

He said fracking technology has been used in Alberta for decades and has been done safely.

“There has not been one case of contaminated groundwater that has been linked to fracking.”

The Gazette was unable to reach the ERCB before press deadline.



# British Columbia Update - Ministry of Energy and Mines

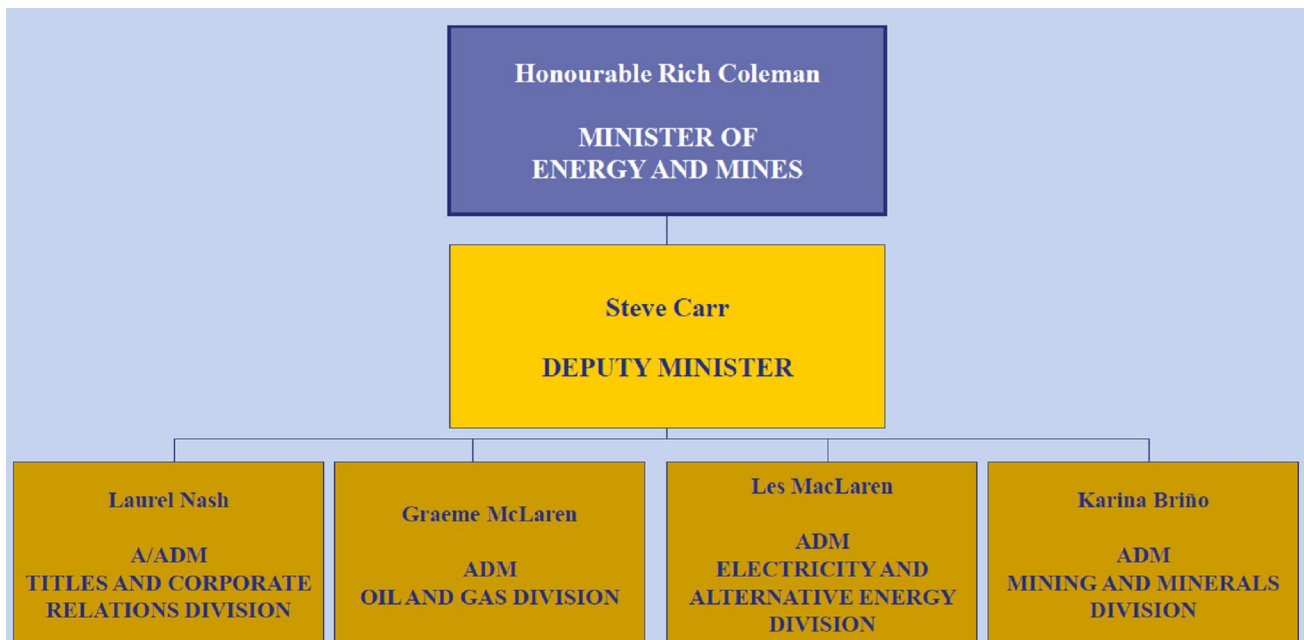


Laurel Nash, A/Assistant Deputy  
Minister

**CAPLA/CAPL P&NG Tenure Information Exchange - April 14, 2011**  
(<http://www.landman.ca/education/Content/2011/BC%20Ministry%20of%20Energy%20and%20Mines%20Update.pdf>)

## OUTLINE

- Organization Update
- Tenure Policy Update
- Caribou Management Strategy
- Legislation Review
- Royalty Program Update
- Systems Update
- **New West Partnership**



## **New West Partnership**

- The NWP - an economic partnership
- Energy MOU signed by the Provinces' Energy Ministers on December 16, 2010
- Four components:
  - internal trade
  - investment and labour mobility
  - international trade and investment
  - innovation and procurement

## **New West Partnership -The Energy MOU**

- The Provinces will work to:
  - Exchange information on regulatory streamlining
  - Promote energy technology development
  - Promote energy infrastructure
  - Coordinate on marketing strategies
  - Explore options for a Petroleum Registry within British Columbia; and
  - Exchange information on energy efficiency

## **New West Partnership -Work Under Way**

1. Joint Consultation with Major Petroleum and Natural Gas Associations to identify early work to be undertaken under the MOU
  2. Collaboration and Information Sharing –a SharePoint repository of joint strategic intelligence
  3. Joint Strategy on Market Development and Diversification to improve access to Asian markets
- New West Partnership -Longer term actions under the MOU

- Industry Development
- Emerging Energy Sources
- Responsible Energy Development
- Market Development and Diversification

# TILMA by stealth

By [Erin Weir](#)

July 16, 2011

([www.rabble.ca](http://www.rabble.ca))

A month ago, Canada's federal, provincial and territorial governments volunteered to be directly sued by investors under the Agreement on Internal Trade. This [quiet announcement](#) from Brudenell, Prince Edward Island, seems to have gone almost unnoticed.

But it is a huge step toward imposing the Trade, Investment and Labour Mobility Agreement (TILMA) on all Canadian jurisdictions and inserting investor-state provisions into Canada's proposed Comprehensive Economic and Trade Agreement with the European Union.

Alberta and B.C. unveiled TILMA in April 2006 as an arrangement that other provinces would join. Following public debate, all other provinces and territories [explicitly rejected](#) the deal or quietly decided not to sign on.

The most important objection to TILMA is that it allows business to sue provincial and local governments for up to \$5 million over laws, regulations and policies that allegedly have negative side effects on economic activity or investment that happens to cross a provincial border. These challenges are adjudicated behind closed doors by commercial tribunals, rather than through the normal court system.

This sweeping "solution" is rather extreme compared to the [supposed](#) "problem" of interprovincial trade barriers. Very few such barriers have been identified and governments have a good track record of resolving them on a case-by-case basis. The Royal Commission on the Economic Union and Development Prospects for Canada estimated that interprovincial barriers cost under 0.05% of GDP in the 1980s and most have since been removed.

After failing to convince any other provinces or territories to join TILMA, its supporters have been implementing it through the back door. In July 2008, premiers added financial penalties of up to \$5 million to the Agreement on Internal Trade, which covers all provinces and territories.

As [I noted](#) at the time, these fines applied only to intergovernmental disputes. To fine a government under the Agreement on Internal Trade, a business would first have to convince another government to make the complaint.

# TILMA by stealth in Saskatchewan

By [Erin Weir](#)

July 18, 2011

([www.rabble.ca](http://www.rabble.ca))

The Saskatchewan Party had [repeatedly promised not to sign](#) TILMA. But it signed the New West Partnership Trade Agreement (NWPTA) last year.

At the time, many commentators (including [yours truly](#)) noted that the NWPTA was little more than a renaming of TILMA. I see that the [official TILMA website](#) is now automatically redirecting to the NWPTA website:

*Effective July 1, 2010 the TILMA (Trade, Investment and Labour Mobility Agreement) has been expanded to become the New West Partnership Trade Agreement (NWPTA) between British Columbia, Alberta and Saskatchewan.*

*Built on the success of the TILMA between Alberta and British Columbia, the NWPTA extends Alberta's and British Columbia's commitments under the former TILMA. In practice, the obligations for British Columbia and Alberta do not change under the NWPTA.*

*(This article was first posted on [The Progressive Economics Forum](#).)*

## **TILMA makes pariahs out of Alberta and B.C.**

By [Carleen Pickard](#)

June 23, 2008

([www.rabble.ca](http://www.rabble.ca))

When B.C. Premier Gordon Campbell and former Alberta Premier Ralph Klein signed the B.C.-Alberta Trade, Investment and Labour Mobility Agreement (TILMA) in 2006, they had a grand vision for Canada.

TILMA was going to finally rid the country of so-called inter-provincial trade barriers and create a single economic space from coast to coast to coast. The agreement was said to be so appealing that others would naturally want to sign it, and the two westernmost premiers would be recognized as pioneers of a new 21st Century vision for Canada.

Remarkably (or not, if you've actually read the agreement), the opposite is happening. Several provinces have taken a good long look at TILMA and said, "No way. Not worth it."

Just this week, Yukon Premier Dennis Fentie decided his territory would not be signing the agreement because of "possible difficulties implementing the recommendations of the Yukon Environmental and Socio-economic Assessment Board and the large costs associated with dispute resolution."

Under TILMA, provincial, local and government agency (including school boards and health authorities) policies designed to protect the environment or the health of communities are, incredibly, not exempt from potential corporate lawsuits claiming they are veiled barriers to trade or investment. Should an unelected TILMA dispute panel rule against the provincial government, the fines for not removing the environmental or health-related policy could reach as high as \$5 million.

To add insult to injury, if the offending province wants to keep the offending policy intact, to protect the environment or public health from some form of corporate activity, it can be hit with another TILMA challenge, and another, and another, until the government is sued into submission.

No wonder Premier Fentie is keeping his distance. And he's not the only one.

Last year, the Saskatchewan government also decided to steer clear of TILMA because of the threat it posed to Crown corporations, and the ability of municipal governments to set development quotas and other local policies that most people recognize as crucial to building communities the way people, not just corporations, want them to be built.

Manitoba has also said no to TILMA, preferring to deal with inter-provincial trade issues through the Agreement on Internal Trade, a national political agreement signed in 1994 that has gone a long way to removing most barriers to the movement of trade, investment and labour across provincial boundaries.

At this point, the question we should be asking is not why so many other provinces can't seem to grasp the alleged benefits of signing on to TILMA. It is why the Alberta and B.C. governments can't see how dangerous, unnecessary and unattractive the agreement is to the citizens of Canada.

Had they done what the Yukon and Saskatchewan did ("consulted the public") they would know this already. They would have also found out that there are relatively few barriers to trade, investment or labour mobility in Canada. In fact, the Council of Canadians sent Inter-Provincial Trade Barrier Inspectors to the Alberta-B.C. border on April 1 of this year and found none.

### **So what is TILMA really for if not to remove barriers to trade?**

The B.C. government will admit (and the pro-business C.D. Howe Institute backs them up) that trade and investment barriers are better understood as regulatory differences between Canada's many political jurisdictions. These often small differences in local and provincial policy, most of them completely legitimate, are part of Canada's federal system and are a democratic right embedded in the Constitution. If a local city council wants to put aside land for parks or any other form of development, it is their constitutional right to do so.

Many large corporations, especially foreign investors from Europe and the United States, see Canada's federal system as an impediment to the establishment of universal standards in almost every sphere of government policy. That's why there is so much U.S. interest in TILMA, which, because of NAFTA's trade rules, will grant U.S. companies the same rights to challenge B.C. and Alberta government policy as Canadian companies from either province have.

In Quebec, Premier Jean Charest is currently pushing a TILMA-like agreement with Ontario, not because there are major barriers to the movement of goods and people between the provinces, but because he wants to pioneer a Canada-European Union free trade and investment agreement. The Europeans' main concern? Canada's federal system, which gives provinces and their municipalities jurisdictional control over their communities that EU rules are quickly eradicating.

Do you think that Alberta and B.C. could have signed an agreement like TILMA by selling it as a means to dismantle local and provincial democracy for the sake of boosting the profits of foreign investors? Of course not. So they drummed up fantasies of reducing imaginary barriers to inter-provincial trade, which is actually thriving and increasing faster than Canada-U.S. trade, according to some economists.

It is sad that Western Canada's premiers misled their citizens on the real reasons for signing TILMA, and sadder that the B.C. government then had to pass TILMA's implementation legislation without a full debate in the legislature. And probably saddest of all that these two premiers, who so want to go down in history as pioneers, are being treated as pariahs by those provinces who were honest with their citizens and honestly couldn't find a single reason to join the TILMA club.

# The Progressive Economics Forum

Posted by Erin Weir

May 2nd, 2010.

([www.progressive-economica.ca](http://www.progressive-economica.ca))

On Friday evening, I was in Kingston listening to [a speech](#) by western Canada's best Premier. The following morning, I awoke to discover a far [less coherent op-ed](#) by the other three western Premiers on *The Globe and Mail's* website.

They were trumpeting Friday's unveiling of the [New West Partnership](#). As the [Saskatchewan Federation of Labour](#) and [the Jurist](#) have already pointed out, this arrangement is a backdoor for Saskatchewan to join Alberta and BC in the Trade, Investment and Labour Mobility Agreement ([TILMA](#)).

Saskatchewan [had rejected TILMA](#) because it empowers business to directly challenge a broad range of public policy, without identifying or solving actual problems. In addition to implementing that flawed model, the New West Partnership also hoses Saskatchewan in several specific respects.

## The Window Dressing

One has to love the term "New West." Social democrats live in fear of being accused of advocating 1970s-style policies. However, conservatives have no shame about reviving slogans of the same vintage.

The New West Partnership includes some apparently positive elements: combining procurement orders to lower costs through increased buying power, collaboration on research and development, and joint international trade missions.

But there is no obligation to coordinate in these areas. Certainly, the three westernmost provinces did not need a "New West Partnership" to work together on procurement, research or international trade, as they have frequently done in the past.

Indeed, it presumably makes sense for Saskatchewan, Alberta and BC to also cooperate in these and other areas with the seven provinces that have not signed the New West Partnership. In promoting international trade, the greatest economies of scale could presumably be achieved by Canadians combining our efforts through the federal government.

## Where's the Beef?

The New West Partnership's core is the "New West Partnership Trade Agreement" ([NWPTA](#)). If you do not want to read the whole thing, check out the five-page [backgrounder](#).

The first page describes it as "a comprehensive agreement to remove barriers to trade, investment and labour mobility [that] covers all public sector entities, including government ministries and their agencies, boards and commissions, Crown corporations, municipalities, school boards, and publicly-funded academic, health and social service organizations."

The second page provides for “financial penalties of up to \$5 million if a government is found to be non-compliant with its obligations.” In case the reader still doubts that NWPTA replicates TILMA, page four helpfully notes that “British Columbia and Alberta fully comply with the agreement” already and then lists a series of “Saskatchewan-Specific Transition Measures.”

There is no *quid pro quo*: only Saskatchewan has to change its tendering system, regulations and standards. There is no compromise: Saskatchewan must harmonize to the existing Alberta-BC model.

### **Where are the Barriers?**

The [Globe op-ed](#) commits to “break down unnecessary barriers between our provinces,” “interprovincial barrier-free trade,” “removing barriers to trade” and not “allow internal borders to stifle opportunity.” As usual, it does not bother to identify any actual trade barriers.

Since Alberta and BC are already in compliance with NWPTA, these unidentified barriers must be in Saskatchewan. However, they have had no apparent effect on internal trade flows. Between 1999 and 2008 (the [most recent data](#) available), Saskatchewan’s interprovincial imports rose 70%. By comparison, its international imports rose only 56%.

The [most recent figures](#) on bilateral trade between particular provinces are for 2006. That year, Saskatchewan bought \$1.8 billion more goods and services from Alberta than it sold to Alberta. Also, Saskatchewan bought \$419 million more from BC than it sold to BC.

So, Saskatchewan’s market is wide open to goods and services from its western neighbours. NWPTA will not affect those trade flows since there are currently no real trade barriers. However, if NWPTA somehow did increase these two-way flows, the result would be a larger interprovincial trade deficit for Saskatchewan.

### **Crown Corporations**

NWPTA’s inclusion of Crown corporations is notable for at least four reasons. First, the Saskatchewan Party cited its intention to continue using Crown procurement to support Saskatchewan industry as a major reason for rejecting TILMA. The Saskatchewan government should at least acknowledge changing its mind on this matter and explain why.

Second, other deals that cover provincial procurement, such as the longstanding Agreement on Internal Trade and the recent Canada-US Agreement on Government Procurement, do not apply to Crown corporations. As far as I know, NWPTA will be the first trade deal to restrict procurement by Saskatchewan Crowns.

Third, since Saskatchewan has a much wider array of Crown corporations than Alberta and BC, it is committing much more. For example, Alberta and BC businesses will gain a legally-enforceable right to access SaskTel’s procurement. But Saskatchewan businesses will have no parallel right to access procurement by Telus, the main telephone company in Alberta and BC.

Fourth, [a document](#) unveiled Friday indicates, “NWPTA does not apply to any corporation, partnership, trust or other entity or organization established, owned or controlled by either the



Alberta Investment Management Corporation or the British Columbia Investment Management Corporation.” There is no similar exemption for the Crown Investments Corporation of Saskatchewan (or any part of it).

### **Procurement Thresholds**

The usual objection to “free trade” in procurement is that governments may legitimately want to use procurement to pursue social goals other than minimizing cost. However, even if monetary savings are the only goal, one must weigh the potential of more competition to lower prices against the cost of administering an open tendering process.

For large purchases, tendering costs are trivial. But for small purchases, these costs could easily outweigh any savings from competitive pricing. Therefore, procurement deals generally only cover purchases worth more than a specified dollar value.

TILMA and NWPTA set these thresholds extremely low. For goods purchased by government ministries, the threshold is just \$10,000. If it costs \$500 to run an open tendering process, that would add 5% to the cost of a \$10,000 purchase.

Complying with such requirements is also a bureaucratic nightmare. On a recent trip to Edmonton, I met up with a couple of friends who are lawyers and Conservative Party supporters. Both were cursing TILMA. Apparently, complying with it has made public procurement extremely cumbersome and created a huge volume of paperwork for even routine purchases.