

Report to Government

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Remembering Chief Goodstriker



Photo credit: Trevor Page

On January 16th, 2020, one of our Fair Deal Panel members, Chief Jason Goodstriker, passed away in Slave Lake, Alberta, at the age of 47 years. His Kainai, Blackfoot Confederacy and Dakota/Lakota People have lost a great son. Alberta's First Nations have lost a great political leader and businessman. Fair Deal Panel members have lost a great role model. Chief Goodstriker's natural ability to create a comfortable space for others to share their point of view was exceptional. He listened, but not just with his ears; all his senses were engaged.

We extend our sincerest condolences to the family of Chief Goodstriker and especially to his wife, Tiffany Pompana, who joined us at many town halls across the province. It was an honour to work on this report with him. We dedicate this report to the memory of Chief Jason Goodstriker.

Acknowledgment by the Fair Deal Panel of the current health and economic crises affecting Alberta

The Fair Deal Panel was established and commissioned by Premier Jason Kenney in November 2019. The panel conducted the bulk of its public hearings and received the most input from experts and interest groups during the months of December, January and early February.

The panel began drafting this report in late February and March 2020. During that time, our province confronted two crises of unprecedented magnitude—the outbreak of the coronavirus pandemic and the drastic fall in oil prices, with its catastrophic impact on the provincial economy.

These two crises impacted our report by affecting the order and emphasis of our recommendations. As will be noted from the Table of Contents, our recommendations are divided into two categories: those that can be implemented by Alberta on its own and those that can only be effectively implemented with the cooperation and support of other governments, particularly the federal government.

Our initial inclination was to first list, and most heavily emphasize, those recommendations that Alberta could implement on its own. We were inclined to do this, because we anticipated that the cooperation and support of other governments would be most difficult to achieve, given some of the tensions which existed between Alberta and the federal government in particular.

However, in recent months, as a result of the need for all Canadians and their governments to pull together to cope with the current health and economic crises, we have witnessed a much greater willingness on the part of the provincial and federal governments to mutually support and cooperate with each other.

The imperative for interprovincial and federal-provincial cooperation has made us somewhat more optimistic that recommendations requiring the support of other governments to achieve a Fair Deal for Alberta—such as the need to reform equalization—will be received with respect, accepted at face value and handled positively.

Hence, after describing what we have heard from Albertans concerning the necessity of a fair deal for the province within Confederation, we begin our recommendations with those measures requiring the support of other governments—particularly the federal government. We do so in the sincere hope that the new spirit of cooperation and mutual support among Canadian governments—born out of the necessity to respond collectively to the current health and economic crises—will continue after those crises and their effects have begun to abate.

It should also be noted that recommendations that Alberta can implement unilaterally—for example, with respect to diversification of the Alberta economy—are compatible with and reinforce measures that the province is already taking to cope with the oil price collapse.

Executive summary

A substantial majority of Albertans do not believe they are receiving a fair deal from the federal government. Many are angry and want the Government of Alberta to reassert its position in Confederation and minimize Ottawa's overreach.

Assessing a fair deal requires objectivity. Is Alberta being treated the same as, or differently from, other provinces within Canada? There is also a strong element of subjectivity. How do individual Albertans see what is happening to people of this province? The Fair Deal Panel set out to look at this question from both perspectives, and we designed engagement and enquiry processes to achieve these ends.

In this report we explain what we heard and what we learned, and include recommendations for actions that Alberta can take to get fair treatment within Confederation. The Government of Alberta can take some of these actions collaboratively with other provinces and the federal government, and can take others unilaterally. The goal is for Alberta to reassert and reclaim its rightful place in Confederation.

Steps that the province can take together with other provinces and the federal government include, first and foremost, equalization reform. Many Albertans raised the inherent unfairness in the equalization formula and the whole concept of equalization within a federation like Canada. While most people do not disagree with the merits of sharing with other Canadians, the way this equalization of opportunity was achieved across Canada seems unfair, even punishing, to Albertans. Rethinking how equalization is seen and achieved within a vast country like Canada is a priority, albeit sensitive and daunting.

The panel recommends that the Government of Alberta:

1. Press strenuously for the removal of the current constraints on the Fiscal Stabilization Program, which prevent Albertans from receiving a \$2.4 billion equalization rebate.
2. Proceed with the proposed referendum on equalization, asking a clear question along the lines of: "Do you support the removal of Section 36, which deals with the principle of equalization, from the Constitution Act, 1982?"

Other steps to secure a fair deal that require support and cooperation from other provincial governments and the federal government include:

3. Collaborate with other jurisdictions to reduce trade barriers within Canada and pressure the federal government to enforce free trade in Canada.
4. Collaborate with other jurisdictions and other stakeholders to secure cross-border rights of way and create unobstructed corridors within Canada to tidewater and world markets.
5. Collaborate with other jurisdictions to design and advance regional strategies for northern development; pressure the federal government to implement those strategies.
6. a) Support and press for the strictest possible application of the principle of representation by population in the House of Commons.
b) Work with other provinces and the federal government to democratize the Senate appointment process.
7. Secure a fairer share of federal civil service opportunities and federal offices in Western Canada.
8. Abolish or at least change the residency requirement for the federal courts.
9. Assert more control over immigration for the economic benefit of Alberta.
10. Collaborate with other provinces and industry to advance market-based approaches to environmental protection, including a reduction in GHG emissions.
11. Continue to challenge federal legislation that affects provincial jurisdiction.
12. Work with other provinces to secure a federal-provincial agreement prohibiting the federal government from spending, taxing, legislating, or treaty making in areas of provincial or joint jurisdiction without the consent of the affected province(s).

Quesnel, "Revitalize the Long-Neglected Economies of Northern Manitoba and Northern Saskatchewan" (March 23, 2020)

Quesnel. "Northern B.C. Should Leverage the Buffalo Declaration" (March 30, 2020)

Lucyshyn, "Redefining Canada's Internal Boundaries" (October 2019)

Lucyshyn, "Presentation to Fair Deal Panel, Cheadle, AB (Feb 8, 2020)

Lucyshyn, "FreedomTalk 2019: Tide-Water Accss" (November 2019)

Unilateral steps we recommend the Government of Alberta take immediately include:

- 13. a) Develop a comprehensive plan to create an Alberta Pension Plan and withdraw from the Canada Pension Plan.
b) Subsequently, provide Albertans the opportunity, via a referendum, to vote for or against withdrawing from the Canada Pension Plan and creating the Alberta Pension Plan.
- 14. **Create an Alberta Police Service to replace the RCMP.** ← Anand, "Bring Back the Alberta Provincial Police" (March 10, 2020)
- 15. Appoint an Alberta Chief Firearms Officer (CFO).
- 16. Secure a seat at the table when the federal government negotiates and implements international agreements and treaties affecting Alberta's interests.
- 17. Strengthen Alberta's presence in Ottawa.
- 18. Opt out of new federal cost-shared programs, subject to Alberta receiving full compensation.
- 19. Resist federal intrusions into health and social programming, and do not seek to exchange cash payments for tax points at this time.
- 20. Continue to diversify Alberta's economy in the energy sector and beyond.
- 21. **Vigorously pursue access to markets for Alberta's exports.** ← Navarro-Genie, "Alberta Needs Better Deal from Better Neighbours" (February 14, 2020)
- 22. Make no changes, at this time, to the administration of agreements that Alberta public agencies and municipalities have with the Government of Canada.
- 23. a) Make no changes to tax collection in Alberta at this time.
b) Support Quebec in its bid to collect the federal and provincial portions of personal income taxes and, if Quebec is successful, pursue the same strategy if it is advantageous.
- 24. Use democratic tools such as referenda and citizens' initiatives to seek Albertans' guidance on selected Fair Deal Panel proposals and other initiatives.
- 25. Explore ways and means to affirm Alberta's cultural, economic and political uniqueness in law and government policy.

The Fair Deal Panel encourages the Government of Alberta to act vigorously and swiftly, through collaboration with other governments and unilaterally, to secure a fair deal for Albertans. Some Albertans believe that the only way to get Ottawa and other provinces to pay attention to unfairness and misunderstandings is to use the threat of separation, implying that if Alberta does not get a fairer place within the federation, the province will pursue secession from Canada. **Listening to Albertans, the panel understands their anger and frustration and sympathizes with their harsh personal experiences. But we do not believe the threat of secession is a constructive negotiating strategy.** ← Lucyshyn, "Presentation to Fair Deal Panel, Cheadle, AB (Feb 8, 2020)

However, we believe that if the federal government and the rest of Canada do not respond positively and quickly to Albertans' demands for a fair deal, then support for secession will only grow.

The panel also wishes to make clear its conviction—a conviction we believe a majority of Albertans share—that the best option is to achieve a fairer deal for Albertans, and for all Canadians, within Confederation.

How will we know when we have a fair deal for Alberta? In the panel's opinion, we will know when Albertans trust people in Ottawa to act in this province's best interests, and when Alberta's position within the Canadian federation has been equitably reset.

PART 1 | Who we heard from and what we heard

I. The Panel's mandate

On November 9, 2019, Premier Jason Kenney announced the launch of the Fair Deal Panel to consult Albertans on how to define and secure a fair deal for Alberta. The panel was also asked to look at how to advance the province's economic interests, such as the construction of pipelines.

Noting Albertans' unprecedented level of frustration with their place in the federation and their ideas for Alberta's future, Premier Kenney mandated the panel to listen to Albertans. He asked the panel to "focus on ideas that would strengthen our province's economic position, give us a bigger voice within Confederation or increase provincial powers over institutions and funding in areas of provincial jurisdiction."

The complete letter from Premier Kenney, setting out the mandate of the Fair Deal Panel, is included in Appendix A.

II. Who we heard from

Between December 2019 and March 2020, the panel listened to citizens at town halls and invited feedback from Albertans via e-mail, feedback cards, surveys and other means of engagement.

The panel held 10 large town halls plus 15 town halls hosted by MLAs across the province. Thousands of Albertans attended town halls, shared their views with the panel, e-mailed the panel, and filled out online surveys.

The feedback enabled the panel to identify key issues that are front and center in Albertans' minds and experiences. Some identified problems with Alberta's place in Confederation, including how these problems affected them personally, while others identified possible solutions. The panel then generated a list of viable options based on the feedback.

From January to March 2020, the panel invited feedback from groups and experts to clarify the feasibility of potential strategies and their implementation.

In March, the panel sent out a second survey, accompanied by public opinion research. Over 40,000 Albertans completed the public engagement survey, while 1,000 Albertans reflecting the composition of the general population were polled by telephone. The findings of the survey and public opinion polling can be found in Appendix E.



Do not implement ideas that create duplication in administration.

The fiscal stabilization program should be the primary concern for reform.

C-69 and C-48 and the carbon tax hurt Albertans' rights for equality.

If we are not willing to separate, then we give up our bargaining strength...

An Alberta Pension Plan would be an unnecessary and devastating decision that has no potential value and would be wide open to favouritism and mismanagement.

I believe taking control of a pension plan for Albertans and opting out of CPP will give Albertans greater independence from the federal government.

A fair deal for Alberta will include everyone who is a resident of Alberta, meaning that NO ONE GETS LEFT BEHIND.

I believe a fundamental issue that must be addressed is the lack of fair representation in the House of Commons, the Senate and the Supreme Court.

...transfer some federal agencies over to Alberta.

Infrastructure money to build a Northern Corridor across BC, Alberta, Saskatchewan, and Manitoba.

Bento, "Reverse Subjugation! Redraw Canada's Internal Borders" (November 7, 2019)

Be a team player. Work with Ottawa instead of constantly bashing them.

Appoint a firearms-friendly Chief Firearms Officer to protect law-abiding Albertans from overreaching federal firearms legislation.

Separate from a dysfunctional confederation that will never serve the West. Anything else will always need to appeal to Quebec or not remain as a governing party.



III. What did we hear from Albertans?

The key questions that the panel asked citizens was whether they felt that Alberta was receiving a fair deal in Confederation and, if not, what would they suggest to secure one? Although some Albertans expressed satisfaction with the fairness of the status quo, a majority of the responses on the main question were negative. The suggestions on how to achieve a fairer deal can be divided into two broad categories:

1. Recommendations that require collaboration with other governments to be implemented.
2. Recommendations that the Government of Alberta can pursue unilaterally.

Sentiments across the province varied from outright anger and a call for immediate separation, to a more nuanced sense of frustration and disappointment with the federal government, and sometimes other parts of Canada. Much of the frustration came from a combination of economic pain and a sense that the rest of the country wants to eliminate our way of life. Whether it was Bill C-69, Bill C-48, the carbon tax or the equalization system, many respondents felt that the rest of the country was conspiring against Alberta. Job loss, continued unemployment, lack of opportunity, dropping property values, declining businesses and eroding business confidence, bankruptcies, the exodus of their children to other jurisdictions and increasing suicides were all frequent stories the panel heard. The concerns not only came from those in the oil and gas sector, but also from people in the forestry and agriculture sectors. And whether they were in the commercial or non-profit sectors, whether the respondents were in rural or urban Alberta, the majority of respondents felt Alberta was not receiving a fair deal.

Many participants born and raised outside Alberta felt the same way. Several respondents who hailed from Québec believed that Alberta was definitely not getting a fair deal, and that the province should demand to be treated like Québec. Another respondent had immigrated to Canada from Poland and said he did not believe Alberta was getting a fair deal, especially when it came to the Canada Pension Plan (CPP). Many respondents also felt that Ontario, like Québec, received more privileges in Canada than Alberta.

Many expressed anxiety about seeing their family's standards of living diminish. One respondent in Edmonton told us she used to have hobbies and enjoyed life with her family. Now she struggles to "eat and live", and felt that her livelihood was being threatened. Several in this group were former members of the military, but who felt today that Canada was at war with Alberta. One veteran talked about serving in countries with abysmal environmental and human rights records, especially when compared to the standards of Alberta's energy sector. Listening to many in the rest of the country complain about Alberta's world-leading environmental practices made him despair.

Across the province, participants mentioned suicide as a response to feeling powerless. An owner of a reclamation company felt helpless as he and his wife, raising three children, wanted to stay in Alberta, but had to watch economic opportunities fade, unemployment soar and property values drop. Another man in Red Deer told a panel member that he "used to live in the best neighborhood in the best town in the best province in the best country. NO MORE!"

Parents spoke of their despair at watching their young adult children being unable to become independent. One mother in Red Deer told us her two children, educated as an engineer and an engineering technologist, were unable to find meaningful employment in their fields. Another mother spoke of her 25-year-old daughter living at home unable to afford things she had taken for granted at her daughter's age and exclaimed, "My kids cannot afford to have kids!" One man talked about his father becoming bankrupt when Pierre Trudeau was Prime Minister, only to see himself now facing the same fate at the same age as his father when he went bankrupt.

Workers in the financial industry spoke of countless clients who would break down in tears when they had to admit they could not pay back loans. From the non-profit sector, one respondent told the panel that it used to be easy to raise tens of thousands of dollars for social causes, while today you're lucky to recoup expenses. She also said she was afraid of the future as she struggled with what lay ahead for her and her children. Non-profit organizations that rely on federal government grants also complained that they do not receive a fair share of federal money, especially when measured on a per-capita basis. From social services to the arts, many felt that decisions were made in Ottawa with a focus on the Montreal to Toronto corridor.

One woman in Calgary, unemployed for four years, told a panel member how she cried after the of the 2019 federal election. While not many cried at the public presentations, the despair and loss of hope were palpable and some people cried in private when speaking to individual panel members. The real fear for many was young Albertans' unemployment and lack of hope for the future.

While most respondents respected the RCMP, many were frustrated with local crime and the RCMP's policing. They felt police resources were stretched, that the RCMP was too bureaucratic to respond to local needs, that the force's habit of moving officers around the province or country hurt police effectiveness, and that the RCMP was unable or unwilling to confront activists who terrorize farmers. In one town, the panel was told that over the past weekend seventeen trucks had been stolen. Many legitimate gun owners were also concerned about the RCMP's heavy-handed enforcement of gun laws. As one presenter told a panel member, why should Albertans pay Ottawa for the RCMP to come and confiscate our guns? The bottom line was that Alberta needs to be treated with respect, and this lack of respect led to injustice.

In terms of recommended actions, Albertans offered a range of ideas. This report covers specific feedback on individual recommendations in the following sections.

Lucyshyn, "Redefining Canada's Internal Boundaries" (October 2019)

Navarro-Genie, "Fail: Unconstitutional Transfer Power Attempt" (March 27, 2020)

IV. Basics of provincial and federal jurisdictions

The panel received a lot of feedback on Alberta's mistreatment in Confederation. Some of that feedback also asked that the province pass legislation to correct the most egregious examples. Other feedback would require amending Canada's Constitution. To separate the feedback into workable proposals, this section offers a quick reminder of how the division of powers between the federal government and the provinces operates, as well as a quick explanation of the process for amending the Constitution.

Canada is a federal nation. This means that the federal government does not have exclusive jurisdiction or authority over the provinces. Rather, authority over certain areas lies exclusively with the federal government, and authority over other areas lies exclusively with the provinces. There are also some areas where the provinces and the federal government share jurisdiction. Those areas of joint jurisdiction can be found in the *British North America Act* (BNA Act) of 1867, also known as the *Constitution Act, 1867*. The *BNA Act 1867* and the *Constitution Act, 1982* form Canada's Constitution. Some key sections in the *BNA Act* are Sections 91, 92(10), 92A(3), 93(4), 94, 94A, 95, 101, and 132, which outline the areas of federal jurisdiction. Sections 92, 92A, 93, 94A and 95 outline areas of provincial jurisdiction.

i. Matters that are exclusively provincial

The *BNA Act* gives provinces exclusive jurisdiction over matters like direct taxation within each province, the management and sale of provincial public lands, property and civil rights within the province, municipalities, the administration of justice and generally all matters that are merely local or private. Education is also within exclusive jurisdiction of the provinces according to Section 93. Although Section 95 suggests that the provinces have jurisdiction over immigration, this section has been interpreted to favour the federal government due to its exclusive jurisdiction over naturalization. Section 92A gives the provinces exclusive jurisdiction over the exploration, development, conservation, and management of their natural resources, including laws that affect the primary production of these natural resources. Section 94A gives both the provinces and the federal government jurisdiction over old age pensions, but the provinces get the final say in the event the laws of the two jurisdictions conflict.

ii. Matters that are exclusively federal

The federal government has exclusive jurisdiction over areas such the regulation of trade and commerce, raising revenue through taxation, the sea coasts and inland fisheries, criminal law, banking and currency, the issuance of currency and the military. Jurisdiction over trade and commerce, as well as Section 121, which specifies that all goods should flow freely across the provinces, suggest the federal government should ensure free trade among the provinces in goods and services.

The preamble to Section 91 allows the federal government to make laws for the peace, order and good government of Canada, also known as the POGG power. The courts have sometimes used this power to allow the federal government to seize control of matters traditionally within provincial jurisdiction under the guise of pressing national emergencies or concern.¹

¹ This has happened most recently in the carbon tax cases handled by the Court of Appeal for Ontario and the Saskatchewan Court of Appeal. They held that the federal government had the jurisdiction to impose a national carbon tax. These two cases contrast with the case decided by the Alberta Court of Appeal, which held that the carbon tax was an unconstitutional exercise of federal jurisdiction.

Martinuk, "Free-For-All: Prescription Drug Shortages" (October 2019)

Martinuk, "Insulin Caravans: Subsidizing Pharmaceutical Tourists" (August 29, 2019)

iii. Matters that are shared jurisdiction

While the *BNA Act* does not refer explicitly to areas of joint jurisdiction (other than old age pensions), the text implies some joint areas of responsibility, such as immigration and agriculture. Supreme Court of Canada cases have determined that other areas such as the environment are shared.² The courts have given the federal government jurisdiction over the environment under the POGG power. As such, the federal government has claimed that GHGs are within their jurisdiction, while provinces like Alberta have argued the opposite. Some courts have ruled in the federal government's favour, while the Alberta Court of Appeal has ruled in favour of the province.³

The federal government has moved aggressively into some areas of traditional provincial jurisdiction under the guise of regulating the environment. Take, for example, the *Species at Risk Act* (SARA). SARA is federal legislation enacted to conserve biological diversity and wildlife, and to protect species at risk. The federal government claims jurisdiction through the federal criminal law power, or POGG, given that wildlife is an integral part of Canada's natural heritage and national identity, is a concern ratified by the United Nations Convention on Biological Diversity, and requires cooperation between all governments to protect vulnerable species. Similarly, through Bill C-69⁴ the federal government claims the right to regulate the development of oil and gas projects in Alberta under the guise of regulating the environment. This creates a conflict between an area of federal jurisdiction implied in Section 91 and explicit areas of provincial jurisdiction in Sections 92 and 92A.

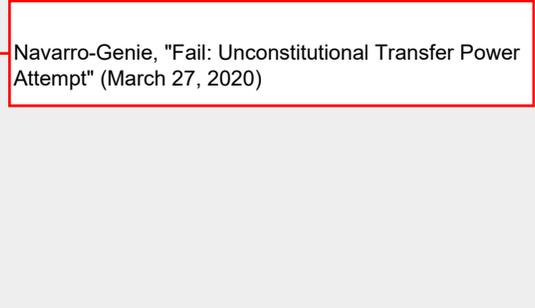
The potential creation of a national pharmacare program could allow more federal incursions into provincial jurisdiction. In areas of exclusive federal jurisdiction, such as ensuring free trade across the provinces, the federal government has not ensured the mobility of goods and services. Even where the federal government arguably has jurisdiction to act and has done so, for example on sea coasts, it has discriminated against Western interests. In Bill C-48, the federal government banned oil tankers carrying more than 12,500 tons of crude oil from stopping or unloading that crude at ports along British Columbia's north coast. No ban exists for ports in Eastern Canada.

The federal government has authority to sign international treaties, but implementation depends on whether the federal government or the provinces have jurisdiction over the treaty's subject. Thus, while Canada can negotiate, sign and ratify a treaty, implementation needs legislation at the federal or provincial level. If the subject of the treaty is federal, Parliament must pass legislation implementing the treaty. If the subject matter is provincial, provincial legislatures must pass the required legislation.

² See e.g. *R v Crown Zellerbach Canada Ltd.*, [1988] 1 SCR 401.

³ The issue will be ultimately resolved by the Supreme Court of Canada at a later date.

⁴ The Canadian *Impact Assessment Act*, SC 2019, c 28, s 1.



Navarro-Genie, "Fail: Unconstitutional Transfer Power Attempt" (March 27, 2020)

iv. Federal powers in an emergency

Provinces have default jurisdiction over matters that take place within their borders in normal times, and also in times of emergency. In crises the federal government can invoke emergency powers under the POGG power. Typically these have been powers relating to price controls and the use of economic resources for war efforts.⁵ Sometimes emergency powers have been used in peace time, such as to fight runaway inflation in the 1970s.⁶ This power, however, is not unlimited. Federal jurisdiction only lasts while the emergency is present and requires federal intervention.

v. Amending the constitution

The constitutional amendment process is found under Part V of the *Constitution Act, 1982*. A proposal to amend the Constitution can be initiated by the Senate, the House of Commons or by a provincial legislative assembly.⁷ Generally, any amendment to the Constitution requires the approval of the House of Commons, the Senate and the approval of legislatures of two-thirds of the provinces whose populations collectively include at least 50 per cent of the country's population. Matters that can be altered like this include: the principle of proportionate representation in the House of Commons, the powers of the Senate and selecting Senators, the residence requirements and provincial allocation of Senators, the Supreme Court of Canada (but not its composition), the extension of provinces into the territories and the establishment of new provinces.

For amendments concerning a province's right to a number of members in the House of Commons, the use of English or French, the composition of the Supreme Court of Canada or the amendment process itself, the approval of the Senate, House of Commons and the legislatures of all provinces is needed.

If an amendment affects some provinces but not all, only the approval of the Senate, the House of Commons and the legislatures of the affected provinces is needed. This includes changes to provincial borders, or the use of English or French within a province.

⁵ *Fort Frances Pulp & Power Co. v. Manitoba Free Press Co.*, [1923] A.C. 695.

⁶ Re: *Anti-Inflation Act*, [1976] 2 S.C.R. 373.

⁷ An amendment can also be made without a resolution from the Senate if the House of Commons adopts the resolution twice within 180 days.

PART 2 | The Panel’s recommendations

Equalization

The panel heard an overwhelmingly negative reaction to equalization, especially as applied to Alberta and as currently practiced.

Recommendations 1 and 2

Removal of Fiscal Stabilization Program constraints and a referendum on equalization

Background

The equalization program was created in 1957, although the first federal-provincial conference held after World War II discussed the principle. The idea behind equalization was to allow the federal government to transfer funds unconditionally to provinces with below-average revenue per capita, with the goal of ensuring all provinces provide comparable levels of services and taxation. The government of Canada uses equalization to address fiscal disparities among provinces. Transfers may be spent in any way the receiving province deems fit. Equalization is financed entirely from the federal government’s general revenues.

Provincial governments do not contribute financially to this program and the regime does not affect their ability to raise tax revenues. Provinces are only involved in equalization to the extent they may receive transfers. The amounts each province receives is based on a formula determined by the federal government.⁸ The formula looks at provinces’ ability to raise revenues (their fiscal capacity). Before any adjustments, a province’s per-capita equalization entitlement is equal to the amount by which its fiscal capacity is below the average fiscal capacity of all provinces.⁹

RECOMMENDATION | Press strenuously for the removal of current constraints on the Fiscal Stabilization Program that prevent Albertans from receiving a \$2.4 billion equalization rebate.

RECOMMENDATION | Proceed with the proposed referendum on equalization, asking a clear question along the lines of: Do you support the removal of Section 36—the principle of equalization—from The Constitution Act, 1982?

In the February 27, 2018, budget, federal Finance Minister Bill Morneau proposed a five-year renewal of the previous equalization regime beginning April 1, 2019 until 2024.¹⁰ The *Budget Implementation Act* received Royal Assent on June 20, 2018. Under the renewed plan, the federal government is gradually increasing the amount of equalization payments to the provinces from \$17.9 billion in 2017-2018 to \$22.1 billion by 2022-2023.¹¹ The year-to-year projections are as follows (in billions of dollars):

2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
17.9	18.3	19.0	19.8	20.5	21.3	22.1

⁸ <https://www.canada.ca/en/department-finance/programs/federal-transfers/equalization.html>; https://lop.parl.ca/sites/PublicWebsite/default/en_CA/ResearchPublications/200820E

⁹ This is commonly referred to as the 10 provinces standard.

¹⁰ <https://www.budget.gc.ca/2018/docs/plan/budget-2018-en.pdf>

¹¹ *Budget Implementation Act, 2018, No. 1*, SC 2018, c 12, s 215.

Since 2007, Alberta has made the following contributions to Equalization:¹²

Year	Net federal fiscal transfer
2007	\$22.2 billion
2008	\$22.5 billion
2009	\$17.7 billion
2010	\$16.6 billion
2011	\$17.9 billion
2012	\$19.2 billion
2013	\$23.5 billion
2014	\$27.1 billion
2015	\$24.8 billion
2016	\$16.0 billion
2017	\$15.3 billion
2018	\$17.2 billion
Total	\$239.847 billion

The table reveals that Albertans have made a net contribution of almost \$240 billion to the rest of Canada. Some experts estimate that total net payments to the rest of Canada back to 1961 amount to \$661 billion.¹³

Referendum on equalization

The federal government alone creates the formula that determines how much money is taken from and given to various provinces, although it sometimes consults the provinces.

There are constitutional grounds for the existence of equalization. This is because Section 36 of the *Constitution Act, 1982* states that:

- 36. (1) Without altering the legislative authority of Parliament or of the provincial legislatures, or the rights of any of them with respect to the exercise of their legislative authority, Parliament and the legislatures, together with the government of Canada and the provincial governments, are committed to
 - (a) promoting equal opportunities for the well-being of Canadians;
 - (b) furthering economic development to reduce disparity in opportunities; and
 - (c) providing essential public services of reasonable quality to all Canadians.
- (2) Parliament and the government of Canada are committed to the principle of making equalization payments to ensure that provincial governments have sufficient revenues to provide reasonably comparable levels of public services at reasonably comparable levels of taxation.

¹² The data can be found in <https://nationalpost.com/news/canada/how-alberta-pays-quebecs-bills-four-charts-that-show-alberta-picks-up-the-tab>, which derives its data from Statistics Canada Table 36-10-0450-01 (formerly CANSIM 384-0047) (<https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=3610045001>). The online data go back to 2007.

¹³ <https://business.financialpost.com/opinion/jack-mintz-canadians-have-taken-alberta-for-granted-thats-dangerous-for-us-all>.

The panel heard from many Albertans who argued that Alberta should seek to abolish equalization by amending the constitution. This would mean removing Section 36 from the *Constitution Act, 1982*. The panel's view is that this would require the amendment be passed by the House of Commons, the Senate, and at least two-thirds of the provincial legislative assemblies representing at least 50 per cent of the provinces' total population. While any province can initiate the constitutional amendment process, if that province were to hold a referendum on the question and the question passed, this would have several political and legal consequences.¹⁴

If Alberta holds a referendum on abolishing equalization, it should use a very clear and simple question along the lines of: "Do you support the removal of Section 36—establishing the principle of equalization—from the *Constitution Act, 1982*?"

The panel notes that in the event of clear approval of the question in a referendum, this would not guarantee the removal of equalization from the Constitution, or any reworking of the equalization formula. The referendum would, however, morally obligate the federal government and other provinces to come to the table and negotiate the proposed amendment to the Constitution.

Fiscal Stabilization Program

Application of the principle of equalization, as referred to in Section 36 of the Constitution, involves more than formula-based equalization payments from the federal treasury to have-not provinces; It also involves:

- Other federal-provincial financial transfers through funds allocated to a variety of federal-provincial programs.
- The operation of the Fiscal Stabilization Fund, the only component of equalization that might be used to partially compensate for the unfair treatment of a contributing province under the current equalization formula.

The Fiscal Stabilization Program is authorized by the *Federal-Provincial Fiscal Arrangements Act* and falls under the Minister of Finance's responsibility. It is supposed to protect provinces from extraordinary year-over-year declines in revenues.

More specifically, it enables the federal government to provide financial assistance to any province faced with a year-over-year decline in non-resource revenues greater than five per cent, subject to two constraints on eligibility for payments:

- A decline in resource revenues is taken into account only if –and to the extent that– the annual decline exceeds 50 per cent.
- The maximum payment to a province that makes a claim for a given fiscal year is \$60 per person.
- Alberta can rightfully argue that the Fiscal Stabilization Fund unfairly caps the maximum payment at \$60 per person and excludes a province if its decline in natural resource revenue is significant but less than 50 per cent.

Alberta residents and businesses have been by far the greatest contributors to equalization over many years. Now this province is suffering a major economic decline, especially from natural resource revenues.

If the two current restrictions on Fiscal Stabilization Fund payments were removed, Alberta would be eligible for an estimated \$2.4 billion equalization rebate.

The panel urges the Government of Alberta to continue to press strenuously for the removal of the constraints on the Fiscal Stabilization Fund that prevent Alberta from receiving the equalization rebate.

¹⁴ Alberta currently has the ability to call such a referendum under the *Constitutional Referendum Act*.

Collaborative actions

If any province is treated unfairly, as Albertans perceive this province to be, the situation cannot be corrected alone. It requires cooperation and collaborative action within the federation. Some of the proposals the panel heard require that Alberta reach out to the federal government and the other provinces.

RECOMMENDATION 3

Reducing trade barriers and enforcing free trade within Canada

One of the primary drivers for Canada's creation was establishing a governance system to assure freer trade across the country's vast geography. Today, many Albertans feel that the federal government pays more attention to free trade with other countries than to freeing the flow of goods, services and workers within Canada.

As noted, the federal government has exclusive jurisdiction over the regulation of trade and commerce within Canada. Section 121 of the *BNA Act* suggests a federal role in ensuring free trade among the provinces in goods and services. Albertans want the federal government to live up to that responsibility.

Interprovincial trade barriers make it difficult to sell Alberta's goods and services to other provinces.¹⁵ Craft beer and hydrocarbons may be the most well-known Alberta products that have trouble crossing provincial borders, but the problem is pervasive and includes people too; constraints on cross-border employment are significant.

The need to bring down trade barriers within Canada was raised at most of the town halls and by many groups the panel met with, including chambers of commerce. There is a keen sense of unfairness that one province can block another province's exports. On several occasions, the panel heard that it was easier for Alberta companies to do business in the United States than across provincial borders.

RECOMMENDATION | Collaborate with other jurisdictions to reduce trade barriers within Canada and pressure the federal government to enforce free trade in Canada.

The Government of Alberta has been explicit¹⁶: Alberta wants to lead the way in reducing trade restrictions between provinces. Premier Kenney seeks to build on the New West Partnership and the New West Partnership Trade Agreement. The panel encourages Alberta to continue to collaborate with other jurisdictions to reduce trade barriers, including through the New West Partnership and with allies like the Canadian Federation of Independent Business, the Canada West Foundation, chambers of commerce and groups in the transportation and industry sectors. Alberta should designate a working group of provincial officials and industry leaders from the New West Partnership Trade Agreement signatories to work with experts and others to set priorities for immediate action.

¹⁵ Reference Canada-West Foundation report - <https://cwf.ca/research/publications/report-toilet-seats-trucking-and-other-trade-tie-ups-a-new-solution-to-the-old-problem-of-canadian-internal-trade/>

¹⁶ Premier Kenney at the Council of the Federation 2019 summer meeting. <https://nationalpost.com/news/politics/jason-kenney-to-scrap-a-host-of-regulatory-barriers-in-an-effort-to-boost-trade-within-canada>

Achieving freer trade within Canada also entails a significant role for the federal government. The panel encourages Alberta to work with other provinces and territories to continue to pressure the federal government to play its rightful role in Confederation and do its part to enforce free trade and honour Section 121 of the *BNA Act*.

Section 121 of the BNA Act:

121. All Articles of the Growth, Produce, or Manufacture of any one of the Provinces shall, from and after the Union, be admitted free into each of the other Provinces.

The panel appreciates that the challenges are great. Many trade barriers are administrative in nature. For example, requirements for certification and inspection vary from province to province. Addressing these problems requires jurisdictions to remove the barriers, harmonize regulations or agree to other means to reduce barriers. Many of these barriers are unique to each province and little has been done to identify which ones harm trade the most. Sustaining the effort over time—working through the long list of barriers that require harmonization or resolution—requires administrative and legislative changes on a province-by-province basis. This is painstaking but essential work.

Convincing the federal government to assume its rightful role in assuring freer trade within Canada has been daunting at times. Making this a national priority required a vision for Canada that transcends partisanship.

RECOMMENDATION 4

Advance cross-border rights of way and transportation corridors across Canada

Canada is enormous and deliberate cross-border corridors contribute to a sense of nationhood, much like the TransCanada Highway and national railways do now. When Canada became a nation, citizens understood the compelling need to assure free trade across the regions. Today, it is possible to improve connections across the country by designating trans-national economic corridors and by the timely approval and facilitation of new infrastructure.

The panel heard many reasons why a deliberate Canadian strategy for cross-border rights of way and economic corridors is required. Among the most important: Canada has one of the lengthiest regulatory approval processes for construction of new infrastructure projects and legal challenges often delay them; Canadian exports need market access; and many provinces depend on coastal access and infrastructure in other provinces.

“ Sometimes I wake up and think, ‘What’s happening? Why is there so much division?’ I am proud and thankful to be in this country, but absolutely Canada can and must be made better. ”

This need to focus on nation-building ideas was raised at several town halls and by many groups and business associations. Many people expressed deep frustration with approval processes for pipelines, with regional self-interest and with one province’s ability to block another province’s trade.

The panel recommends that the Government of Alberta continue to collaborate with other jurisdictions and stakeholders to secure federal, provincial and territorial agreement on land corridors to support cross-border rights of way and freer trade in Canada. One outcome would be faster resource project approvals across the country. Another would be enhanced connectivity across communities (e.g. telecommunication links) that would be attractive to investors.

People we heard from emphasized that a fair deal for Alberta must be fair for everyone, including Indigenous Peoples. While that is beyond the scope of this report, the panel encourages Indigenous ownership or financial participation in cross-border corridors, where relevant.

RECOMMENDATION | Collaborate with other jurisdictions and other stakeholders to secure cross-border rights of way and create unobstructed corridors within Canada to tidewater and world markets.

At the Council of the Federation in the summer of 2019, Canada’s Premiers agreed to begin exploring the concept of pan-Canadian economic corridors. Alberta Energy has been tasked with leading the development of a report on the concept. To that end, Alberta Energy has formed a provincial/territorial working group to deliver on this request in 2020. We encourage this work be continued as a priority.

Getting other provinces, territories and the federal government to agree on economic corridors is visionary nation-building work. It will require unrelenting leadership and commitment from Albertans and all Canadians.

RECOMMENDATION 5

Design and advance regional strategies for northern development

The design of regional transportation and logistics pathways across the North require Alberta to work with other jurisdictions within Canada and the United States. These regional strategies for the North are important to many Canadians and communities in Alberta (e.g. Edmonton, Grande Prairie, Fort McMurray). These strategies provide opportunity for northern communities to serve as transit points for commodity exports and as logistics and distribution hubs for imports. Past and current governments considered similar measures and the time is ripe to move on this issue.

The panel heard from many across Alberta who endorsed regional alliances, including strategies for the North that could enhance the logistics of trade and the export of Alberta's resources.

“ When we look north, Alberta becomes the gateway to the south. ”

“ Don't just focus on getting Alberta's exports to tidewater, recognize that northern routes, like the Alaska-Alberta railway proposal, could position Edmonton and northern Alberta as a logistical hub for distribution of Asian exports into North America. ”

The panel heard various ideas, such as a port in Churchill, Manitoba, pipelines, utility corridors from Prince Rupert, B.C. facing east, the Alaska-Alberta rail and the G7G railway to Alaska. Many encouraged aggressive evaluation of these infrastructure options. Several think tanks also discussed proposals for northern corridors and offered recommendations.

RECOMMENDATION | Collaborate with other jurisdictions to design and advance regional strategies for northern development; pressure the federal government to implement those strategies.

Some Albertans were aware of the Senate's leadership role on these strategies and applauded their work. In a 2017 report, the Senate of Canada Standing Committee on Banking, Trade and Commerce observed that, “the development of an east-west corridor through Canada's North and near-North would unlock significant economic opportunities for our country.”¹⁷

The Senate has demonstrated leadership on this issue, and the Government of Alberta should encourage their role in designing and advancing regional strategies for the North, including collaboration with researchers in Alberta.

The panel acknowledges that the North presents unique challenges such as building on permafrost and reaching geographically remote places. Northern strategies also require endorsement by multiple jurisdictions, including the federal government. But as the North opens up, failing to commit resources to these endeavours could irreversibly change the shape of Canada's economy, harming communities and opportunities.

¹⁷ Northern national corridor key to Canada's economic future, page 12, available at <https://sencanada.ca/en/newsroom/northern-national-corridor-key-canada-economic-future>.

Therefore, the panel recognizes an urgent need for well-defined and well-understood regional strategies for Canada’s North — not just for trade reasons, but to assure ongoing security and sovereignty. As noted previously in this report, the Government of Alberta is committed to widespread cooperation in securing resource corridors. The panel recommends this nation-building work continue as a priority.

RECOMMENDATION 6
Fairer representation in the House of Commons and the Senate

The panel heard from many Albertans demanding fairer representation in the House of Commons and the Senate, and we agree with this demand. However, many participants appeared to believe that stricter adherence to the principle of representation by population in the House would dramatically increase Alberta’s representation there. Unfortunately, our analysis does not confirm this.

If the principle of representation were to be more strictly adhered to (see Table below), Alberta would likely gain four to five seats and B.C., three. But Saskatchewan would lose three and Manitoba would lose two for a net gain in Western representation of only three seats. Ontario would experience the greatest gain with seven seats, but every province east of Ontario (with the exception of P.E.I.) would lose seats, making the chances of getting federal-provincial agreement on the redistribution of House of Commons seats virtually zero.

Would stricter application¹⁸ of the principle of Representation by Population significantly improve western representation in the House of Commons?

Jurisdiction	2019 Population	Current No. of Seats	No. of Seats under Rep by Pop	Change
Alberta	4,345, 737	34	39	+5
British Columbia	5,020, 302	42	45	+3
Manitoba	1,360, 396	14	12	-2
New Brunswick	772, 094	10	7	-3
Nfld./Labrador	523,790	7	5	-2
NW Territories	44,598	1	1	0
Nova Scotia	965, 382	11	9	-2
Nunavut	38, 787	1	1	0
Ontario	14, 446, 515	121	128	+7
P.E.I.	154, 748	4	4	0
Quebec	8,433, 301	78	75	-3
Saskatchewan	1,168, 423	14	11	-3
Yukon	40,369	1	1	0
CANADA	37, 390,000	338	338	0

¹⁸ It is assumed that the only departures from the principle of representation by population would be leaving the current representation of the three sparsely populated territories as is (one seat each), and leaving the current representation of the smallest province, P.E.I., as is (four seats). Deducting the populations of these four jurisdictions from the total Canadian population leaves us with 37,311,498 Canadians to be represented by 331 seats or one seat for every 112,724 persons.

RECOMMENDATION | Support and press for the strictest possible application of the principle of representation by population in the House of Commons.

Having said this, the panel recommends that Alberta remain a strong advocate of the principle of representation by population. As the demographic and economic bases of the country slowly move westward, drawn by the inexorable growth of the Asia Pacific region, adherence to this principle will result in increased Alberta representation in the House of Commons, going forward.

With respect to fairer representation in the Senate, Alberta had long been a champion of a Triple E Senate—democratically elected, with equal numbers of Senators from each province and effective in providing genuine regional representation. In 2011, the federal government went further than any previous federal government in pushing senate reform by introducing Bill C-7, *The Senate Reform Act*. However, the Supreme Court ruled in 2014 in the *Senate Reform Reference Case* that substantive senate reform could not be achieved without a constitutional amendment commanding the support of seven provinces with at least 50 per cent of the population, plus the support of Parliament.

RECOMMENDATION | Work with other provinces and the federal government to democratize the Senate appointment process.

Securing equality of representation by province in the Senate currently appears to be out of reach. However, one aspect of Senate reform that could be achieved is democratizing the process whereby candidates for Senate appointments are selected. Alberta has legislation in place, *The Senatorial Selection Act*, to provide for candidate elections. The panel recommends that the Alberta government strongly press other provinces to adopt similar legislation and insist that the federal government honor the results of these democratic elections by appointing the winners to the Senate. While there may be disagreement among the provinces about changing the number of Senators per province, surely there should be substantial agreement that in a democracy, unelected officials should have nothing to do with the framing or passage of federal laws and should be replaced with democratically selected Senators.

RECOMMENDATION 7

Fairer representation of the federal civil service and federal offices in western Canada

Canada is a confederation and there is value in having federal presence in the nation's capital. Yet Alberta is a long way from Ottawa. At times the country's leaders have recognized the merits of decentralization, moving federal offices and civil servants to regions where the impacts of decisions are acutely experienced and local expertise is accessible. For example, when the National Energy Board was created in 1959 to oversee international and interprovincial aspects of the energy sector, its head office was located in Ottawa. In 1991, the NEB's head office was moved to Calgary. Another example is the head office for Western Economic Diversification Canada, located in Edmonton.

At times, the federal government has shifted aspects of its operations to regional centres to boost local economies. For example, the Canada Revenue Agency has four tax centres, located in Winnipeg, Manitoba; Sudbury, Ontario; Summerside, Prince Edward Island; and Jonquiere, Québec.

The panel heard from Albertans who endorsed the benefits of decisions being made closer to the issues, especially because "there are challenges in making sure decision-makers in federal headquarters understand the subtleties on the ground." This is reflected in recommendations to replace the RCMP with an Alberta Police Service and to change the residency requirements for Federal Court Justices.

With Alberta in recession, the panel heard from many about the fairness of relocating civil service jobs from Ottawa to the West. For example, "the sum of the areas of the Western Canada parks is 76 per cent of the all National Parks areas located in the 10 provinces. If the territories are included in the sum of Western Canada parks, the number is approximately 90 per cent of total area of all National Parks in Canada."¹⁹ It clearly makes sense to relocate Parks Canada's headquarters from Gatineau, Québec to Western Canada.

RECOMMENDATION | Secure fairer representation of the Federal civil service and federal offices in Western Canada

That panel encourages the Government of Alberta, collaborating with other Western provinces, to ask the federal government for a distribution map of federal civil servants across Canada and a list of federal government agencies and decision-making bodies that can be recommended for relocation to Western Canada.

The panel understands that civil servants and politicians located in the Capital Region may not support these changes. Moving public servants away from the Ottawa, the House of Commons, the Senate and Ministry offices, is likely to meet resistance. Moreover relocating people and offices is expensive. Nonetheless, the symbolism of further decentralization of the federal civil service would send a positive message to Albertans, above and beyond the merits of local decision-making and regional job creation.

¹⁹ The National Parks are listed at : <https://www.pc.gc.ca/en/pn-np/recherche-parcs-parks-search>.

RECOMMENDATION 8

Abolish or change residency requirement for the federal courts

In recent years, the Federal Court and Federal Court of Appeal have wielded significant influence over issues that affect the interests of Albertans, including judicial decisions that quashed the approvals of the Northern Gateway and Trans Mountain pipelines. Historically, the courts did not play such a strong role in determining the fate of projects affecting Albertans' lives. Prior to 1971 (when the modern Federal Court and Court of Appeal were established), the Superior Courts in the provinces had supervisory jurisdiction over the federal regulatory bodies such as the National Energy Board. After 1971, supervision over the National Energy Board went to the Federal Court of Appeal. This means the federal courts' composition is of vital importance to Alberta.

RECOMMENDATION | Abolish or at least change the residency requirement for the federal court.

Section 5.4 of the *Federal Courts Act* requires that at least five Federal Court of Appeal judges and at least 10 Federal Court judges must have been judges of the Court of Appeal or of the Superior Court of the Province of Québec, or have been members of the bar of that province. Section 7(1) of the Act also requires Federal Court of Appeal and Federal Court judges to reside in or within 40 kilometres of the Ottawa region. This means that the federal courts are not truly national courts, and its judges are not necessarily affiliated with the regions over which they exercise their jurisdiction.

The panel recommends that the federal courts' jurisdiction over national regulatory bodies be abolished and transferred to the Superior Courts of each province. If such a recommendation is unachievable, the panel recommends that the requirement for judges to reside in the Ottawa region be removed. There should be a regional distribution requirement, similar to the existing one for Québec, to ensure judges are drawn from all geographic regions in Canada. Furthermore, when hearing an appeal from a national regulatory body such as the National Energy Board, if the subject of the appeal affects a specific province, at least one judge on the panel hearing the appeal should be drawn from that province.

The panel notes that the federal courts already hold hearings across the country. It would not be difficult or impractical to allow judges to reside and maintain offices outside of the Ottawa region. In the United States, federal trial and appeals court judges live and maintain chambers across the country, and Canada should follow suit.

The unnecessary residency provision in Section 7(1) has unfortunate consequences. The rule makes it harder to recruit talented lawyers from Western Canada to serve on the federal courts. The panel heard that it is often difficult to convince Western Canadian lawyers to accept an appointment to the Federal Court or Federal Court of Appeal, given that doing so requires them to move to Ottawa, often at a relatively late stage of their careers. The panel counted almost 60 judges in the federal courts, of whom only seven could be identified as having practiced law in Western Canada.

The requirement that judges reside in Ottawa may also mean that they are less likely to understand the realities of Canada's regions. Since all federal court judges' offices are in Ottawa, most court staff, including staff lawyers and law clerks, are required to reside in Ottawa. Most of the legal staff who work for the federal courts are drawn from a narrow region of the country, and most are graduates of a small number of Central Canadian law schools. The end result is that the perspectives of regions closer to Ottawa are likely to predominate within the institution.

The panel notes that making a change of this nature would send an important signal that federal institutions, including the federal courts, exist to serve all Canadians. The change would also have important practical effects, encouraging more talented

Western Canadian lawyers to consider serving on the bench and making the federal courts more responsive to the values and concerns of Westerners. The net financial cost of a change of this nature to the federal government would likely be negligible, as it would not increase the total amount of building space required, and might even reduce the costs associated with judges traveling from Ottawa to hearings in other cities.

RECOMMENDATION 9

Assert more control over immigration for the economic benefit of Alberta

Except for Québec, most provinces defer to the federal government’s immigration framework. Under the Provincial Nominee Program, each province may select and nominate individuals for permanent residence based on their labour market needs. New immigrants are entitled to settlement assistance, such as free language training under provincial government administered

“ 60% of Albertans weren’t born here. We are the most Canadian province of them all, yet we are not treated like it. ”

programs. Historically, the majority of these funds are allocated to Québec under the Canada-Québec Accord.

Many Albertans who spoke to the panel recognized the merits of having a voice in immigration and several people recommended that Alberta take a more proactive role in the Provincial Nominee Program (specifically, attracting economic immigrants tied to our province’s specific needs) and overall in the decisions about the numbers of immigrants settled in Alberta.

Very few who spoke to the panel endorsed a Québec-style approach to immigration, in particular Québec’s requirement that immigration candidates attest to democratic values and Québec values. Several people noted that Alberta had an extremely diverse population and that the diversity was an asset. “Canada’s immigration-driven population boom has been one of the few bright spots for the economy, credited with supporting the labor force and the housing market.”²⁰ Alberta built its strong economy by attracting others to the province. Albertans understand the value of building diversity through immigration.

RECOMMENDATION | Assert more control over immigration for the economic benefit of Alberta.

The panel recommends that the Government of Alberta proactively use provincial immigration powers as a tool to:

1. attract economic immigrants tied to Alberta’s needs under the Provincial Nominee Program, and
2. be more involved in decisions about the number of immigrants settled in Alberta.

Adopting a more proactive role in immigration will require intention and focus. The panel notes that the Government of Alberta created a ministry responsible for labour and immigration, and views this as a positive signal.

²⁰ <https://www.bnnbloomberg.ca/immigration-could-help-canada-top-u-s-in-economic-growth-this-year-1.1370114>

RECOMMENDATION 10

Advance market-based approaches to environmental protection, including reducing GHG emissions

Article 6 of the Paris Agreement²¹ envisions one party transferring credits for lowering emissions to another party that has a higher target. This could include credit for carbon sinks (in boreal forests and grasslands) and for agricultural and forestry carbon sequestration practices. As well, western Canadian energy-producing jurisdictions — including British Columbia, Alberta and Saskatchewan — are not fully supported by the federal government as they negotiate carbon offsets where exports of liquefied natural gas (LNG) could displace coal generation in countries, such as Japan and China.

It is unclear how Article 6 will apply to transferring credits between subnational governments or individual companies, but it is imperative that the federal government support Alberta's ability to take full advantage of such mechanisms. The panel heard from many Albertans who were frustrated by the perceived unfairness of Québec negotiating a carbon agreement with California, while western energy-producing provinces could not advance carbon offset mechanisms with other jurisdictions. Albertans also asked the panel why the federal government is not aggressively pursuing recognition for carbon credits for agricultural and forestry practices in Canada. To many, this seemed unfair.

The panel met with industry groups that noted Alberta has legislated the amount of GHG emissions produced by large industrial emitters since 2007. As part of this regulatory framework, a carbon offset market exists that allows farmers to sell carbon offset credits to large emitters within Alberta and to organizations outside the province. Alberta currently has 16 approved protocols that can create offsets.²² To be an approved protocol, the technology must be beyond business as usual, proven by scientific research, quantifiable and verifiable. For example, "conservation cropping" is a type of soil management that sequesters carbon in the soil and reduces GHG emissions.

In 2019, the Government of Canada announced funding to develop the Federal GHG Offset System in which offset credits encourage compliance by federally regulated facilities. In its discussion paper *Carbon Pollution Pricing: Options for a Federal GHG Offset System*,²³ the federal government lists criteria required for unique projects to qualify, and how it intends to harmonize with existing provincial offset schemes. If the conservation cropping protocol meets federal criteria, Albertans could use their provincial credits as "recognized units" toward compliance for federally regulated facilities (potentially increasing demand for their credits). Since the Paris Agreement specifically refers to "sinks" as a legitimate way to reduce GHG emissions and the federal government refers to the Offset System as a tool to reach their Paris Agreement obligations, this could be a mutually beneficial opportunity for Alberta farmers and the federal government.

Therefore, the panel recommends that Alberta continue to work with other provinces to pressure the federal government to speed up recognizing and using uniquely Canadian and Albertan ways to reduce our carbon footprint. Meanwhile, the panel also recommends that Alberta work directly with other provinces to mutually recognize offset protocols to allow Alberta agricultural or forestry operators to sell offsets to other jurisdictions, such as Quebec or Ontario, while also enabling large producers in Alberta to purchase offsets from other provinces.²⁴

²¹ https://unfccc.int/files/meetings/paris_nov_2015/application/pdf/paris_agreement_english_.pdf

²² <https://www.alberta.ca/alberta-emission-offset-system.aspx>

²³ <https://www.canada.ca/content/dam/eccc/documents/pdf/climate-change/pricing-pollution/Options-GHG-Offset-System.pdf>

²⁴ Anna Cameron and Trevor McLeod, "Patchwork Pollution Solution: Stitching Together a Canadian Climate Plan," Canada West Foundation, July 2015 https://cwf.ca/wp-content/uploads/2015/07/NRP_PatchworkPollutionSolution_Report_JULY2015_WEB.pdf

Many Albertans argued that the federal carbon tax encouraged carbon leakage (an increase in GHG emissions in other countries as a result of reduced emissions in Canada), because the tax applied to domestically produced oil and gas, but not imported oil and gas. While Canadian oil and gas production receives some recognition for its trade-exposed status through the output based allocations under both the Federal Output Based Pricing System and Alberta's TIER system, producers still have to pay a carbon price for every tonne of emissions above those allocations, while foreign imports face no tariffs or penalties when coming into Canada. This approach has the potential to make Canadian products and services less competitive relative to foreign competition. This is especially unfair to many agricultural producers who are seeing large increase in costs, while their foreign competitors can ship into Canada without paying a carbon tax, even on trucking costs.

RECOMMENDATION | Collaborate with other provinces and industry to advance market-based approaches to environmental protection, including a reduction in GHG emissions.

The panel recommends that Alberta continue its judicial challenges of federal government overreach on carbon pricing, and collaborate with other provinces and industry to advance market-based ways to manage carbon emissions for the benefit of all resource sectors, including agriculture and forestry.

The panel also recommends that Alberta encourage further research on carbon leakage and other consequences of the federal carbon tax that compromise the competitiveness of Canadian resource sectors.

The panel acknowledges that many challenges accompany this recommendation. But the stakes are very high, and Alberta's and Canada's competitive place in the world is at risk. The panel concludes with the observations of Chief Justice of Alberta Catherine Fraser in the recent Alberta Court of Appeal decision regarding the *Greenhouse Gas Pollution Pricing Act*:²⁵

Further, factually, in any event, there is no evidence on this record that anything any one province does or does not do with respect to the regulation of GHG emissions is going to cause any measurable harm to any other province now or in the foreseeable future. Four large countries or groups of countries, the United States, China, India and the European Union generate, cumulatively, 55.5% of the world's GHG emissions. Canada, given its northern climate, vast geography and comparatively small population, generates 1.8%.²⁶

²⁵ Reference re *Greenhouse Gas Pollution Pricing Act*, 2020 ABCA 74.

²⁶ para 324.

RECOMMENDATION 11

Challenge federal overreach through court challenges

The panel heard that Alberta should assert its jurisdiction against federal encroachment through court challenges such as the current challenge to the federal carbon tax. Alberta is also challenging Bill C-69, or the *Impact Assessment Act*.

RECOMMENDATION | Continue to challenge federal legislation that affects provincial jurisdiction.

The panel recommends that Alberta challenge federal overreach in court whenever possible. This can be done on a global scale by sending reference cases to the Alberta Court of Appeal, as it did in the Carbon Tax case, as well as the pending challenge to Bill C-69.

RECOMMENDATION 12

Prohibit the federal government from spending, taxing, legislating or treaty making in areas of provincial or joint jurisdiction without the consent of the affected province(s)

One of the greatest sources of national disunity in Canada, and the increasing alienation of Alberta from the federal union, is federal spending, taxing, legislating and treaty-making powers in areas of provincial jurisdiction (such as natural resources development and conservation), or joint jurisdiction (such as environmental protection or pensions), without the consent of—indeed often over the opposition of—the province(s) affected. Examples directly and negatively affecting Alberta include the 1980 National Energy Program—which invaded Alberta’s jurisdiction over its natural resources—and the federal government’s recent imposition of a carbon tax, which legislates within an area of joint jurisdiction (environmental protection) without Alberta’s consent.

RECOMMENDATION | Work with other provinces to secure a federal-provincial agreement prohibiting the federal government from spending, taxing, legislating, or treaty making in areas of provincial or joint jurisdiction without the consent of the affected province(s)

A constitutional amendment prohibiting such incursions would remedy the situation. While most provincial governments would likely support such an amendment, the support of the Parliament of Canada is still missing.

Therefore, a more immediately achievable goal may be to implement this prohibition via a federal-provincial agreement. That then is the focus of this recommendation.

Unilateral actions

Unilateral steps we recommend the Government of Alberta take immediately.

RECOMMENDATION 13

Withdraw from the Canada Pension Plan and establish an Alberta Pension Plan

At the outset of the discussion, it is important to lay out some facts about the current state of the Canada Pension Plan (CPP) as it relates to Albertans. According to experts consulted by the panel, nearly three million Albertans contribute to the CPP. Alberta's younger population, higher incomes and historically higher rates of employment — relative to Canadian averages — means that Albertans contribute disproportionately to the CPP. In 2017, for example,²⁷ Alberta workers represented 16.5% of the total contributions to the CPP, while Alberta retirees consumed 10.6% of CPP expenditures. This resulted in a net contribution of \$2.9 billion by Albertans in 2017. Over the last decade (2008–2017), Albertans' net contributions totaled \$27.9 billion. As contributions to the CPP are planned to increase over the next five years,²⁸ Albertans' subsidization of the CPP will likely continue to grow.

If Alberta withdrew from the CPP and created an Alberta Pension Plan (APP), Alberta's hypothetical contribution rate could be reduced from the present rate of 9.9% to as low as 5.85%²⁹. That represents an opportunity for Albertans to keep the approximately \$3 billion annual subsidy to the rest of Canada (excluding Québec which has an independent pension plan), while maintaining base benefits for Alberta retirees at a level comparable to CPP. This could be used to reduce Albertans' premiums, while maintaining or increasing benefits paid to pensioners over time.

Alberta's current proportion of the \$400 billion CPP reserve fund has been estimated to be between \$40-\$70 billion³⁰. This amount would be transferred to the APP reserve fund to partially cover the accrued payment obligations the APP would assume from the CPP. The APP could choose to keep these funds under the management of the Canada Pension Plan Investment Board (CPPIB) or move them to AIMCo or another fund manager(s) based on a cogent and diligent analysis of risks and benefits.

Any fund manager(s) selected for the APP fund would be guided by a clear governance and accountability mandate to deter political interference. This was a critical factor when the CPPIB was established in 1997, taking over the investment functions of the CPP from the federal department of finance, and when AIMCo was established in 2008, taking over investment management of several funds from Alberta Finance.

²⁷ The numbers quoted come from a study by the Fraser Institute titled *Albertans Make Disproportionate Contributions to National Programs: The Canada Pension Plan as a Case Study* available at <https://www.fraserinstitute.org/studies/albertans-make-disproportionate-contributions-to-national-programs> The panel verified these numbers by checking against Statistics Canada sources cited in the study, as well as other sources such as the Office of the Superintendent of Financial Institutions' (OSFI) CPP 29th Actuarial Report (<https://www.osfi-bsif.gc.ca/Eng/Docs/cpp29.pdf>). The numbers in the Fraser Institute's study can be verified as being reasonably accurate. The panel notes in various submissions to it by various experts, none disputed the veracity or accuracy of the numbers in the study. The quote is an excerpt from the referenced Fraser Institute report.

²⁸ Grant Thornton Insights - <https://www.grantthornton.ca/insights/changes-to-cpp-is-your-business-ready/>

²⁹ In the study titled *Albertans Make Disproportionate Contributions to National Programs: The Canada Pension Plan as a Case Study*, the Fraser Institute estimated the effect on the CPP contribution rate if Alberta withdrew from the CPP. The calculations are based on CPP prior to its expansion and on the OSFI's definition of sustainability. Based on Alberta's current disproportionate contributions to the CPP, the contribution rate would have to increase from 9.9% to 10.6% to remain sustainable if Alberta withdrew from the plan. Alternatively, Alberta's hypothetical standalone rate could be as low as 5.85%.

³⁰ Fraser Institute researchers; Keith Ambachtsheer in his paper titled *The Alberta Pension Plan Proposal: What's In It for the People of Alberta?* available at <https://kpa-advisory.com/policy-papers/the-alberta-pension-plan-proposal-what-s-in-it-for-the-people-of-alberta/>

The panel received substantial feedback on this question, both positive and negative. Some think Alberta's disproportionate contributions are unfair and, therefore, support creating an APP. Doing so would not only make economic sense, but also deliver a clear message to Ottawa and fellow Canadians. After all, many reasoned, since Québec (and many European nations with small populations such as Denmark) has its own pension plan, Alberta can successfully do the same. It would also allow Alberta to take back powers that constitutionally belong with the province.³¹

On the other hand, the panel also heard a number of concerns about creating an APP. Pensions represent security to people who have contributed, especially as they get closer to retirement. Many seniors unequivocally told the panel: make sure pensioners are protected! They also said that APP funds would need to be invested using global best practices of pension plan management.

Some business interests suggested that the implementation of an APP should support and not become a barrier to attracting investment and workers to Alberta. The panel clearly heard the importance of conducting a cogent and diligent study of the costs and benefits of creating the APP.

The panel met with economic policy groups, investment, pension and legal experts, as well as with the CPPIB and AIMCo, to ensure we were well informed on the technical and legal issues around this very important issue. We recommend that the Government of Alberta continue to ensure the best advisory support and technical advice on establishing an APP going forward.

The panel notes that Section 94A of the BNA gives the federal government jurisdiction over laws relating to old age pensions, but no such federal law can affect the operation of any provincial laws relating to old age pensions. This suggests that the provinces have the final say on how pension plans operate, if they choose to legislate in the area.

Indeed, section 4(1) of the *Canada Pension Plan Act* states that the act does not apply to employment earnings in a "province providing a comprehensive pension plan," a defined term under s 3(1) of the CPP Act. To meet the definition of a "province providing a comprehensive pension plan," the province must give three years' notice in writing to the federal Minister of Employment and Social Development of its intention to establish a provincial pension plan.

RECOMMENDATION | Develop a comprehensive plan to create an Alberta Pension Plan and withdraw from the Canada Pension Plan

The Province of Alberta is constitutionally and legally permitted to exit the CPP and create its own APP. Alberta would be required to provide a comparable set of benefits to all eligible CPP beneficiaries in the province. As a result, Albertans receiving benefits or eligible to receive benefits would not see their benefits reduced. Establishing an APP would take time under current rules and would require detailed negotiations with the federal government and the CPPIB.

³¹ It should be noted the eight large Canadian pension plan managers including the CPPIB and AIMCo are regarded as global leaders by their international peers in terms of their approach to governance and their investment policies, the scale of their assets and their solid performance. The Melbourne Mercer Global Pension Index, widely considered as the premier international ranking of retirement income systems, has found Canada's to be among the strongest in the world.

After a referendum, if Alberta notified the federal government of its intent to withdraw from the CPP, the province's equivalent pension plan could not begin to operate until the January three full years later. Once notice is given, the CPP Act mandates the federal Minister of Finance must transfer to the withdrawing provincial government the value of all obligations and liabilities accrued from the day the CPP started with respect to the payment of benefits in that province.³²

RECOMMENDATION | Subsequently provide Albertans the opportunity, via a referendum, to vote for or against withdrawing from the Canada Pension Plan and creating the Alberta Pension Plan

As to the question of portability, the panel received expert advice that the processes and procedures between the CPP and Québec are well established and deal effectively with portability. Prior to a referendum, the Government of Alberta would need to examine in detail how Québec administers its pension plans for its citizens who move and work across Canada, and work to design a seamless approach.

Therefore, the panel recommends vigorously exploring this option and conducting the due diligence needed to assure Albertans that benefits and risks are understood and can be positively managed. Albertans will want to be assured that the APP would be managed independently in an arms-length manner by an experienced manager using best governance and practices for pension plan management.

Managing an APP by the CPPIB is one option. Moving wholly or in part to using AIMCo is another. The CPPIB and AIMCo have a history of co-investing and cooperation that could facilitate a joint approach.

³² The federal Minister of Finance will pay the amount to the government of the province, by transferring those securities of that province as defined in the *Canada Pension Plan Investment Board Act*.

RECOMMENDATION 14

Create an Alberta police service to replace the RCMP

The panel heard from many Albertans, especially those in rural Alberta, about the challenges facing law and order in their communities. Several expressed their appreciation of local RCMP officers but their frustration with the bureaucracy of the RCMP. Several expressed their disappointment with how many of the fine men and women who served in their community would be transferred to another town after having settled in and becoming familiar with the community. This lack of continuity means that knowledge and experience never accumulate properly within local law enforcement. This results in criminals having the upper hand.

While some expressed frustration with the courts and delays in prosecutions, Albertans outside Edmonton and Calgary generally called for greater local control over law enforcement, and most certainly not from Ottawa.

While a few people expressed their wish to keep the RCMP in Alberta, they seemed motivated either by a sentimental attachment to the RCMP or a concern about the extra cost and red tape associated with creating a provincial police force. Even supporters of a provincial police force were not against what the RCMP represented historically. Rather, they felt that the RCMP has become too bureaucratic to respond flexibly to the needs of small communities. A few also felt that Alberta controlling its own law enforcement would send a message to Ottawa that Alberta was in charge of its destiny, and that it would rather to spend its own money on its own men and women, rather than paying for a bloated Ottawa bureaucracy.

The panel notes that the RCMP in Alberta perennially struggles with having enough RCMP officers to adequately staff smaller municipalities. Posting officers in a small communities, then relocating them anywhere in Canada, is a disincentive for many applicants. Indeed, in 2006, Alberta created the Alberta Sheriffs to help with traffic enforcement, surveillance, communications, and security at the courthouse and the legislature. However, in many small towns, sheriffs have become the backbone of local law enforcement when RCMP staffing is inadequate.

In 2011, then Premier Ed Stelmach renewed Alberta's contract with the RCMP for 20 years, from April 1, 2012, to March 31, 2032. The contract contains a termination clause, which allows the agreement to be terminated on March 31 of any year by either party, giving the other party at least twenty-four months' notice. In other words, Alberta could, when this report is issued, terminate its agreement with the RCMP effective March 31, 2022. The contract could be terminated even earlier if the federal government concurred.

Alberta pays \$262.4 million annually for RCMP service, with the federal government paying \$112.4 million annually. If Alberta canceled the agreement and created its own new provincial police service, the current federal contribution would have to be fully or partially absorbed by the province and municipalities.³³

³³ Municipalities will be responsible for \$15.4 million of policing costs in 2020, and \$60.3 million in 2023. The total contributions from small and rural municipalities will be \$200.6 million by 2024.

That being said, the panel believes, based on feedback from various stakeholders, that Alberta communities would benefit greatly from having a provincial police service. An Alberta Police Service would enable local control over law enforcement. Regional policing districts could pool resources to tackle crime depending on where and when criminals operate. This could happen without waiting for prior approval from Ottawa every time a new initiative is needed to tackle crime. A stable police service that allowed members to stay grounded in local communities would be attractive to men and women considering law enforcement as a career. Officers would become more invested in their local settings, allowing them to better connect with local citizens and gain insights into where and how criminal elements operate in each community. Such local knowledge would be retained in the community and allow for more effective policing.

RECOMMENDATION | Create an Alberta Police Service to replace the RCMP.

Short-run costs could be absorbed by efficiencies of scale and scope across policing regions within the province. In provinces such as Ontario and Québec, provincial police forces are in charge of regions outside metropolitan areas. Indeed, Alberta had its own police service called the Alberta Provincial Police until 1932.

Under the current contract with the RCMP, Alberta sets the objectives, priorities and goals of the RCMP in Alberta.³⁴ Meanwhile, Canada controls internal management, including administration, professional police standards and procedures.³⁵ The current contract only provides police services in rural areas. Municipalities with over 5,000 people have their own agreements with the RCMP and are not covered by the agreement with the provincial government.³⁶

The panel recommends that Alberta should make the case for switching to an APS very clearly to municipalities that currently use the RCMP. Any extra costs incurred by Alberta should not be passed on to municipalities without their consent. Protocols regarding governance and recruitment should be in place prior cancelling existing contracts. Alberta should assess the long-term benefits of moving to its own APS. Regions and municipalities that would be significantly affected by any switch need to know how this change would impact citizens.

In many communities, the panel heard about a “revolving door” to the courthouse for individuals charged with serious crimes only to be released on bail. Sometimes charges against the accused are dismissed due to delays in prosecution. While criminal law is the jurisdiction of the federal government, the province has some control over the administration of justice. This includes the appointment of provincial court judges and Crown prosecutors. Alberta can also take steps to speed up trials by prioritizing violent crimes over non-violent ones. The panel notes that Alberta is committed to hiring more Crown prosecutors. The panel also recommends that Alberta hire more provincial court judges who will bring a sense of fairness and expediency to the administration of justice.

³⁴ Article 6.1 of the Provincial Police Service Agreement.

³⁵ Article 6.2 of the Provincial Police Service Agreement.

³⁶ Article 10 of the Provincial Police Service Agreement.

RECOMMENDATION 15

Appoint an Alberta Chief Firearms Officer

During the panel's consultations, many Albertans favoured the province having its own Chief Firearms Officer (CFO), as do other provinces. Many pointed out that the federal government provides Alberta with ineffective police services, while it seizes law-abiding citizens' firearms. This sentiment was heard the loudest in Calgary and many rural communities.

Firearms are federally regulated under the *Firearms Act* and Part III of the Criminal Code. But the Firearms Act allows provinces to have their own CFO. Any provincial CFO would need to follow federal law, but enforcement of such laws, including the exercise of discretion, could have an Alberta flavour. If the RCMP did not provide provincial police services—as recommended above—Alberta could control how such federal laws are enforced. A CFO's duties include issuing and revoking firearm licenses, approving firearm purchases and sales, issuing authorizations to transport firearms, issuing authorizations to carry firearms, approving shooting clubs and ranges, administrating the Canadian Firearms Safety Course, and approving and inspecting gun shops and other businesses.

RECOMMENDATION | Appoint an Alberta Chief Firearms Officer

Of course, the federal government would still have direct control over which firearms are legally manufactured, owned and imported into Canada. The courts would also likely side with federal law regarding any legal challenges to enforcement. Even if a provincial police service existed in Alberta, RCMP officers could still enforce only federal law in the province, but it would be costly a costly way to provide federal law enforcement. This would give Alberta a degree of autonomy from the federal government. The cost to operate Alberta's own CFO office would be minimal, especially compared to the advantages that the potential increase in local control might achieve. At the very least, having an Alberta CFO at the table would give Albertans a voice as decisions about firearms in Canada are made.

RECOMMENDATION 16

Participate in negotiating and implementing international agreements affecting Alberta's interests

While the panel did not receive much direct feedback on this recommendation at town halls, it did receive feedback from various experts, individuals and groups. The issue is sufficiently vital to Alberta's economic independence and development that the panel strongly recommends ensuring that Alberta's interests are represented as international agreements affecting Alberta's interests are negotiated and implemented.

While the Canadian government is the signatory to international treaties, matters under provincial constitutional jurisdiction have increasingly become the subject of these international negotiations. As well, provinces often have responsibility to implement commitments made in these treaties. The panel, therefore, strongly encourages Alberta to continue to pursue full provincial participation in international treaty negotiations affecting Alberta's interests. This includes trade and investment agreements, such as the US-Mexico-Canada Free Trade Agreement and the Canada-European Union Comprehensive Economic and Trade Agreement, as well as international environmental agreements that affect Alberta.

The panel notes that international environmental agreements — where jurisdiction is uneasily shared between the federal and provincial governments — are increasingly challenging for Alberta. For example, the federal government can accept an international obligation and seek to implement that obligation across Canada, even if implementation directly and negatively affects Alberta.

Québec's international policy document clearly articulates the merits of an international strategy for provinces: "More than ever, what happens beyond our borders has a direct impact on what happens here at home."³⁷ That is certainly the case in Alberta, too.

Several people called for Alberta to have a seat at the table when deciding how to implement international agreements, including the recently negotiated free trade and climate change agreements. While few people commented specifically on the mechanics of how this would work, many clearly expressed their understanding that Alberta's voice was often diminished and found that frustrating.

For example, people in the agriculture and forestry sectors expressed their view that the federal government was dragging its feet on advancing carbon offsets and credits envisioned under Article 6 of the Paris Agreement. These mechanisms could give Albertans credit for carbon sinks in the province's boreal forests and vast grasslands, as well as for carbon sequestration practices. Likewise, those in the energy sector expressed frustration that Canadian energy-producing provinces, including British Columbia, Alberta and Saskatchewan, are being hampered in their ability to negotiate carbon offsets. Exports of liquefied natural gas (LNG) could displace coal generation in countries that could receive our LNG exports, such as Japan, China and India. Many pointed out that Québec negotiated a carbon agreement with California, while Alberta remains unable to advance carbon offset mechanisms with other jurisdictions. To many, that seemed patently unfair.

³⁷ Page 5, *Quebec on the World Stage: Involved, Engaged, Thriving* available at https://www.mrif.gouv.qc.ca/content/documents/en/PIQ_DocumentLong_EN-NUM.pdf.

Interest groups also expressed support for strengthening Alberta's role in international treaty negotiations and implementation. Specifically, the Canadian Association of Petroleum Producers, Canada West Foundation and the Progressive Group for Independent Business shared their ideas on how Alberta could seek a stronger, more formal role in international treaty negotiations. This could involve a federal-provincial agreement on managing international agreements and a more formal role in working with federal negotiators on the negotiating approach, objectives and commitments.

The panel recognizes that Alberta would need to provide adequate resources to ensure Alberta's interests are protected and advanced. Getting a fair deal for Alberta includes protecting provincial jurisdiction, as well as garnering economic benefits. Alberta's international offices could play such an intergovernmental role.

RECOMMENDATION | Secure a seat at the table when the Federal Government negotiates and implements international agreements and treaties affecting Alberta's interests.

The panel places a priority on proactively building alliances with like-minded provinces, such as British Columbia, Saskatchewan and possibly Manitoba, regarding cross-border mechanisms or a coalition regarding carbon offsets.

Formalizing this arrangement with the federal government may be challenging, especially in areas where the federal government and Alberta disagree on the division of powers (such as environmental agreements and those affecting climate change). An intentional, explicit Alberta strategy on its role in negotiating and implementing international agreements would be constructive even in the absence of a formal agreement with the federal government.

RECOMMENDATION 17

Strengthen Alberta's presence in Ottawa

In town halls across Alberta and in written submissions, Albertans frequently spoke of the ways Alberta was not getting its fair share of federally-funded programs and contracts. For example, arts, culture and sponsored research funding³⁸ is less per capita in Alberta compared to other provinces. More generally, there was a sense that unseen equalization was not working in Alberta's favour. Many people saw merit in emulating Québec's practices in ensuring their fair share within Confederation. People did not often explain how this could be achieved, but they encouraged the panel to determine how Québec so successfully advocates for their province's interests.

The Government of Alberta's ability to ensure that Albertans get their fair share of federal government resources can be compromised by the long distance between Ottawa and the western provinces. Over the decades, the Government of Alberta's presence in Ottawa has ebbed and flowed. As such, the panel recommends that Alberta's presence be intentional, strategic and proactive.

The Government of Alberta has already announced its intention to re-establish an office in Ottawa. The panel recommends that this office work closely with Alberta Intergovernmental Relations and be given a significant mandate to defend and promote Alberta's interests in Ottawa. The panel further notes that such an office, similar to the Québec government's office in Ottawa, would have close proximity to and close contact with federal decision makers. It would help to ensure that the Alberta government is well informed about federal policies and that Alberta's positions on priority issues are effectively communicated.

More specifically, Alberta government representatives in Ottawa could enhance representation by Members of Parliament and Senators from Alberta who are valued voices and advocates for Albertans in Ottawa. Staff in Alberta's office in Ottawa could play a critical role in:

1. Working with federal ministries and forging links with embassies, high commissions, trade offices and trade missions to communicate Alberta's economic priorities and how Alberta could be a full partner in the federation.
2. Ensuring that Alberta's citizens in the public, private and non-profit sectors are aware of and have access to their fair share of federal government program dollars in economic, social and cultural spheres.
3. Ensuring that any intended or unintended federal encroachments on provincial jurisdiction are brought to the attention of the Alberta government as expeditiously as possible.

RECOMMENDATION | Strengthen Alberta's presence in Ottawa.

Certainly, there will be challenges. It will cost Albertans money to assure this level of presence and proactive role in Ottawa. Measuring the value of an Ottawa office may be difficult. The panel, therefore, recommends that the impacts of this office be assessed like any of Alberta's international trade offices. Alberta's office in Ottawa would also need to coordinate with other Alberta representatives in Ottawa. An Alberta Secretariat in Ottawa could coordinate these voices and efforts. Since partisanship can be a barrier to effectiveness, the panel recommends that such strategies be pursued in a non-partisan manner.

³⁸ <https://www150.statcan.gc.ca/t1/tb1/en/tv.action?pid=3710002601&pickMembers%5B0%5D=1.10&pickMembers%5B1%5D=2.1&pickMembers%5B2%5D=4.4>

RECOMMENDATION 18

Opt out of new federal cost-shared programs with full compensation

The federal government has used its spending power³⁹ to fund federal-provincial shared cost programs in areas that fall primarily under provincial constitutional jurisdiction.⁴⁰ The Canada Health Transfer (CHT) and the Canada Social Transfer (CST) are, respectively, the largest and third-largest federal fiscal transfer programs. Despite a relatively small contribution to overall provincial costs, these federal government transfers can create spending pressures for the provinces. As well, these programs exert federal government leverage on how programs are delivered by the provinces. For example, provinces are threatened with a claw-back of their health transfer dollars for implementing innovative approaches to health care delivery.

“ Provinces are in huge deficits because they’ve been faced with a tsunami of health spending. ”

Historically, Québec has been the only jurisdiction to opt out of federal cost-sharing programs. In 2004, while other provinces and territories agreed to joint funding for priorities and reporting requirements in health care with the federal government, Ottawa signed an agreement with Québec allowing that province to design its own targets and do its own reporting on outcomes, while still receiving federal funding. This special agreement was cited as “asymmetrical federalism.” Canada’s Premiers have frequently opined that provinces and territories have the right to opt out of any federal-provincial program and should receive full federal financial compensation. Yet, the provincial right to opt out with reasonable compensation has, in practice, only been intermittently respected by Ottawa.

The panel heard from Albertans who were aware of the federal government’s intention to launch a national pharmacare program. Some were supportive, while others were cautious, even cynical: *“Be careful of national programs (in housing, early learning, childcare). The way they’re structured, you will always lose.”* The panel heard from people working within the health care system who talked about the extent of the federal government’s influence on provincial decisions regarding health care delivery and this influence’s dampening effect on innovation and reform. Those comfortable with the status quo cited fears of Alberta moving toward two-tier, American style health care if Alberta opted out of the Canada Health Transfer.

RECOMMENDATION | Opt out of new federal cost-sharing programs, subject to Alberta receiving full compensation.

In any federal-provincial negotiations on a proposed national pharmacare program, the panel urges Alberta to ensure that provincial responsibilities for the design and delivery of drug coverage are recognized. The panel also recommends that Alberta take the position that, like Québec, Alberta has the right to unconditionally opt out of any newly created national shared cost program, with full financial compensation.

³⁹ Defined as “the power of Parliament to make payments to people or institutions or governments for purposes on which it [Parliament] does not necessarily have power to legislate.” (P.E. Trudeau, *Federal-Provincial Grants and the Spending Power of Parliament*, p. 4).

⁴⁰ For example, in relation to health care: Subsection 92(7) of the BNA Act states provinces are primarily responsible for health care. The federal government does not have a direct role in matters of health care but does have constitutional responsibilities outlined in Section 91(1) regarding public health.

The panel notes that Québec has negotiated very effectively with the federal government in this space. If the federal government can have an asymmetric arrangement with Québec, Alberta should ask if the federal government would have a similar arrangement with other provinces.

Specifically, would Ottawa be prepared to provide full or reasonable compensation to Alberta if Alberta opted out of a new program like pharmacare? Many Albertans would regard it as only fair that Alberta (and other provinces) be given the same opportunity as Québec.

RECOMMENDATION 19

Resist federal government intrusions into health and social programming, and do not seek to exchange cash payments for tax points at this time

The Premier's mandate letter asked the panel to consider if Alberta should exchange the existing Canada Health Transfer (CHT) and the Canada Social Transfer (CST) for tax points. The potential impact of this exchange is not widely understood by Albertans, and the panel received very limited feedback on this question.

The CHT and CST programs provide Alberta with supports for health care, social services, post-secondary education and early childhood development. For 2019-2020, Alberta received approximately \$4.7 billion in CHT and \$1.7 billion in CST. Challenges exist with the current system of cash payments to Alberta from the federal government under these programs. Ottawa can withhold a portion of the cash payment if a province does not implement a program strictly according to federal requirements. In partial lieu of federal cash grants, Québec has agreed to transfer tax points in the past. As a result, Québec's CHT and CST transfers presently include both a cash component and tax points.⁴¹ This has resulted in Québécois paying more taxes to their provincial government and less to the federal government compared to other provinces. If Alberta had a similar arrangement, the federal tax rates would drop and Alberta would most likely need to increase its own tax rates.

What is a transfer of tax points?

A tax point transfer has two elements:

1. The government making the transfer lowers its tax rates on a tax base.
2. The government receiving the transfer then could raise its tax rates on the same base by an equivalent amount.

A tax transfer from the federal government to Alberta would reduce federal taxes payable by Albertans. Albertans would then pay a corresponding increase in Alberta taxes. The value in the tax point transfer for the Government of Alberta comes from the tax room vacated by the federal government.

The panel notes that the federal government has threatened to reduce funding through the Canada Health Transfer to provinces implementing new approaches to health care that are not considered, by Ottawa, to align with the *Canada Health Act*. Yet rising health costs across Canada and an aging population will ultimately require innovation and creativity in health care delivery.

Therefore, there is some benefit to Alberta to exchange the amount of these federal cash payments to tax point transfers. This option would give Alberta more control over how revenue is raised and spent in these major sectors of provincial jurisdiction. Alberta would then have more liberty to innovate in these sectors without the need to strictly conform to Ottawa's interpretation of federal policy. Any tax upside could result in either more revenue for Alberta or reduced taxes for Albertans, or both.

⁴¹ The combined value of the two components is equal in per capita terms to what other provinces receive solely in cash transfers

However, a tax point transfer would make Alberta more reliant on the province's own revenue sources, and we are currently experiencing extreme volatility in the price of Canadian hydrocarbons. In our current situation, there is no guarantee that the projected growth in Alberta's tax base would outperform the present and projected value of federal government cash transfers to Alberta for CHT and CST. Alberta's demographic advantages may also change. Another consideration is that a tax point transfer would be factored into the equalization formula and that adjustment would further disadvantage Alberta and its taxpayers.

Therefore, at this time, the panel does not recommend that Alberta seek a transfer of tax points in lieu of cash transfers from the federal government under these national programs.

RECOMMENDATION | Resist federal government intrusions into health and social programming, and do not seek to exchange cash payments for tax points at this time.

The panel also encourages Alberta to continue to resist federal government intrusions into provincial jurisdiction and to continue to grow alliances with other like-minded provinces to do the same.

RECOMMENDATION 20

Continue to diversify Alberta's economy

There are challenges to diversifying Alberta's economy, but the need has never been greater.

Most Albertans told the panel that Alberta's current situation is unfair. Alberta's hydrocarbon exports to tidewater are constrained and Alberta is "blamed" for producing a disproportionate share of industrial GHG emissions while not getting credit for world leading environmental practices in energy, forestry, and agriculture. They said Alberta's economic revival is an imperative and diversifying Alberta's economy is how we will get there.

Across the province, many people spoke, often quite emotionally, about the urgent need for further economic diversification. They said that diversification would enable Alberta to be more independent from Ottawa's influence. Some criticized the panel, as well as the idea of advocating for a fair deal with Ottawa, arguing the concept of "fix your house first before you ask for fair treatment." Some were frustrated by the government and private sector focus on diversifying the energy industry (by developing renewables and adding value to hydrocarbons). Others expressed satisfaction with programs that reward innovation within the energy sector (such as reducing methane and removing carbon from hydrocarbons, or adding value along the supply chain, as the Petrochemicals Diversification Program does).

The panel recognizes that Alberta has historically leaned heavily on non-renewable energy for high-paying jobs and has become dependent on the sector for government revenues. Indeed, as some noted to the panel, the entire country has become dependent on hydrocarbon revenues via equalization payments. There is an inherent unfairness here, best articulated by Alberta's Chief Justice Catherine Fraser, speaking for the majority of Alberta Court of Appeal judges in the recent decision on the question of the federal government's jurisdiction to impose carbon taxes on Albertans:

We must say something about the implicit criticism that Alberta is producing a disproportionate share of industrial GHG emissions. This is undeniable—but hardly unexpected. Alberta, because of its oil and gas sector, has been one of the biggest drivers of the Canadian economy for decades. Were that not so, Alberta would not have been one of the largest financial contributors to the federal coffers throughout that entire time. Thus, it is disingenuous, not to mention unfair, to imply that, because Alberta continues to generate the wealth it does, Alberta cannot be counted on to regulate its own industries and do its part in reducing GHG emissions.⁴²

Economic diversification has long been a priority for Alberta. Public servants, politicians and citizens have encouraged different enterprises to produce a variety of products, services and technological processes to overcome Alberta's dependence on an industry that typically represents around 30 per cent of Alberta's GDP. Yet it is no longer business (and economic diversification) as usual. Several factors, including climate change policy, constraints on energy infrastructure within Canada, and massive changes in markets for Alberta's hydrocarbons have increased the pressure for economic diversification within energy and beyond energy in Alberta.

Many people noted Alberta's leadership in technology, including geomatics, artificial intelligence (AI), machine learning, environmental monitoring and reclamation. Several others expressed frustration with changes in tax credits and other incentives for investors in the tech sector. Many identified opportunities for diversification in agriculture—which is Alberta's second-largest economic sector—and forestry.

⁴² Reference re: *Greenhouse Gas Pollution Pricing Act*, 2020 ABCA 74 at para 313.

While many agreed on the urgent need for diversification, Albertans were divided on the best approach. Some reinforced the message that they did not like government “meddling” in the economy. Many argued against giving tax or royalty holidays, bailouts or loan guarantees to for-profit companies. Others preferred a more proactive, unconstrained government role. Several recommended pressing the federal government to give Alberta a “fair share” of research and technology grants.

RECOMMENDATION | Continue to focus on diversification of Alberta’s economy—within energy and beyond energy.

As such, the panel recommends that Alberta consider pursuing research and innovation to help diversify Alberta’s economy within and from energy. Several fields in the energy sector offer opportunities: IT/geomatics, energy efficiency, environmental monitoring and remediation, and decarbonization.

While “green energy” can be framed in positive and exciting ways, achieving efficiencies in the production of oil and gas can be perceived to be mundane. Yet many pointed to the potential: Alberta is positioned to lead the adoption of new technology to decarbonize hydrocarbons if innovation is embraced by industry and government.

To that end, the panel encourages all stakeholders to do everything possible to access Alberta’s fair share of research and innovation dollars available under federal programs. We encourage stakeholders to access the innovation funding and support programs and resources currently delivered by Western Economic Diversification Canada (WD) across western Canada, and we encourage the Alberta government to work with WD to seize opportunities to promote economic growth and development in the province. We also encourage the National Research Council to establish more western bases of operations, and learn from its experience administering the Canada Industrial Research Assistance Program (IRAP), in which administrators are located in offices across Alberta and deal efficiently and directly with companies.

We encourage greater focus on the agriculture and forestry supply chains and value-add opportunities. We emphasize Alberta’s competitive advantage in artificial intelligence and machine learning. This sector is a unique treasure with great economic potential. For this potential to become a reality, the federal government will need to support AI activities in Alberta at levels similar to those in Québec, Ontario and British Columbia.

The panel cautions that diversifying Alberta’s economy will not be easy. Alberta has experimented with a panoply of options over the past 50 years. While Albertans have patiently accepted ambitious government mandates, Alberta had the public and private dollars to carry them out. We no longer have that level of available public funding, and investment in Alberta is declining. Meanwhile, the United States has become self-sufficient in petroleum, and American companies and institutions are recruiting Alberta’s best and brightest. Toronto, Vancouver and Montreal are doing the same.

RECOMMENDATION 21

Vigorously pursue access to markets for Alberta's exports

Alberta is a land-locked jurisdiction. Our priority is finding a way to deliver our resource products to the east and west coasts, so we may export our products to markets overseas. Economic diversification strategies in Alberta reflect this geographic reality.

For decades, primary markets for Alberta's hydrocarbons were south (in the United States) and east (in central Canada). Therefore, being a land-locked province within Canada was not a constraint. But the United States is now self-sufficient in petroleum, and we need new ways of thinking if we want to diversify Alberta's markets, especially for bitumen and natural gas exports. While we continue to pursue market pathways to tidewater (including Trans Mountain Pipeline expansion and Energy East pipeline), as well as better access to American refineries and markets (including via TC Energy's Keystone pipeline system), Alberta can no longer only look south, east and west. We must also look north.

Many people at the town hall meetings acknowledged that Alberta is land locked and suggested ways to access tidewater. Several people, especially those living in northern regions of the province, were less likely to see geography as a limitation. Several people encouraged Alberta to spend more time looking north, especially given the implications of climate change and sea lanes opening in the Arctic.

“ Canada is broken. We are now a federation of regions, not equal provinces. ”

RECOMMENDATION | Vigorously pursue access to markets for Alberta's exports.

The panel recommends that Alberta continue to pursue access to markets in the south and along east-west horizons, as well as vigorously pursue access to markets via northern routes. Northern routes could benefit all of Alberta's exports: agriculture, energy, forestry and manufacturing.

The panel encourages Alberta to look beyond accessing new markets. Alberta must also consider how north-south transportation routes and multi-purpose corridors enable northern Alberta communities to become multi-modal logistical centres and gateways for imports from Asia and elsewhere to markets in continental America.

North-south transportation and logistics pathways will require collaboration with other Canadian jurisdictions and, in some cases, the United States. The panel heard many feasible suggestions: a port in Churchill, Manitoba; a pipeline and utility corridor from Prince Rupert, B.C., facing east; or a corridor for transportation and utility infrastructure (including railways, roads, pipelines and transmission lines) from Alberta to Hudson's Bay, Kitimat, or the state of Alaska.⁴³

⁴³ The last suggestion was introduced by MLA Shane Getson on March 2, 2020, as a private member's motion in the Alberta legislature.

RECOMMENDATION 22

Make no changes, at this time, to the administration of agreements that Alberta public agencies and municipalities have with the government of Canada

The panel's mandate poses this question: should the Government of Alberta more forcefully protect its powers by requiring that all agreements by municipalities and public agencies with the federal government be pre-approved by Alberta? When relationships between the federal government and Alberta (or any province) are strained, the potential for ad hoc decision-making, even mischief, in the relationships between the federal government and Alberta's provincial bodies increases. Federal government investment in municipal infrastructure, housing and transport is significant.

Constitutionally, provinces are responsible for local government, and Ottawa is afforded no formal relationship with municipal levels of government and provincial agencies. Provincial governments guard their powers in different ways. For example, Québec requires public bodies, including school boards and municipalities, to secure the approval of the Government of Québec before they can enter into agreements with the federal government.⁴⁴ This is broader than Alberta's *Government Organization Act*, which provides that any intergovernmental agreement with Canada, another provincial/territorial government, or a foreign government must be approved and signed by the Alberta Minister of Intergovernmental Relations (or designate) to have force. In Alberta, municipalities may borrow money under an agreement with the Government of Canada, and school boards can access these funds under the *Education Act*. The city charters for Edmonton and Calgary recognize these cities have unique rights compared to other municipalities.

Most Albertans who responded to the panel were indifferent to this question. Some pointed out that requiring pre-approval by the Alberta government is counter to the government's goals to reduce red tape and enable municipalities to be nimble, locally accountable and autonomous. Understandably, several municipal councilors and mayors were very vocal on this issue and reinforced the imperative for project-based trilateral cooperation across federal, provincial and municipal governments. They argued, why is there a need to fix something that was not broken? They also noted that the most important municipal-federal relationships are already coordinated by Alberta, including funding arrangements through the Investing in Canada Infrastructure Plan (ICIP) and the federal Gas Tax Fund.

The panel emphasizes that with Alberta facing so many daunting challenges in addition to securing a fairer deal from Ottawa, it is imperative that Alberta's provincial and municipal governments "pull together" like they have never pulled together before.

RECOMMENDATION | Make no changes, at this time, to the administration of agreements that Alberta public agencies and municipalities have with the Government of Canada.

Nonetheless, the panel sees that the status quo has its challenges. Ad hoc federal funding for major capital projects could lead to federal funding decisions being determined by the political popularity of individual projects, rather than as part of a coordinated strategy.

However, at this time, the benefits of red tape reduction and local autonomy and accountability outweigh any concerns about possible back door federal encroachments for political expediency. Current protocols and practices largely work and should be continually assessed to assure respect for Alberta's jurisdiction. At the front end of any new tripartite national program, Alberta's consent must be required prior to program launch to ensure that decision-making protocols are satisfactory.

⁴⁴ Act respecting the Ministère du Conseil exécutif, CQLR c M-30.

The panel recommends that Alberta consider ways to improve coordination between municipalities and Alberta, and to better manage large-scale infrastructure investment. For example, Alberta could expand the mandate of its office in Ottawa to include working with municipalities, school boards and other public bodies. Providing such concierge and facilitation services could benefit municipalities' dealings with the federal government.

RECOMMENDATION 23

Make no changes to tax collection in Alberta at this time; support Québec's efforts to do so and learn from Québec's experience

Right now, Alberta collects provincial corporate income tax, and the federal government collects the provincial and federal portions of personal income taxes from Albertans. The panel asked Albertans if the Government of Alberta should collect the province's share of personal income taxes, as well as well as Alberta's corporate taxes.

Many Albertans told the panel about their negative experiences when dealing with the Canadian Revenue Agency (CRA). Several believed that if Alberta collected both personal and corporate taxes, this would enable Alberta to hold back taxes destined for equalization payments. Others recommended that Alberta collect its own taxes as a way to gain more control over its destiny.

RECOMMENDATION | Make no changes to tax collection in Alberta at this time.

However, many Albertans, including business owners and operators, expressed reservations about this idea. They argued that if that both Alberta and the federal government had systems to collect their respective portions of personal income taxes, that would create extra costs, duplicate collection efforts and significantly increase red tape. Those familiar with Québec's income tax collection system told the panel that it requires taxpayers to file two separate personal tax forms, one provincial and one federal, achieving no real efficiency or leverage.

The panel accepts that there are advantages to Alberta collecting corporate income taxes and the federal and provincial portions of personal income taxes. If the Alberta government collected all the taxes payable by Alberta taxpayers, government could not only achieve administrative efficiencies, but also reduce the risk of federal intrusion into provincial jurisdiction.

This is what Québec aims to achieve. Right now, Québec collects corporate income taxes, as well as the provincial portion of personal income taxes. That province is asking Ottawa for permission to also collect the federal portion of personal income taxes.

RECOMMENDATION | Support Québec in its bid to collect federal and provincial portions of personal income taxes, and if Québec is successful, pursue the same strategy if it appears advantageous to do so

The panel recommends that Alberta support Québec in its bid to collect federal and provincial portions of personal income taxes. When Québec succeeds, Alberta can then evaluate the consequences and pursue the same strategy if it appears advantageous to do so. In the meantime, we recommend that Alberta continue to collect corporate taxes and allow the federal government to collect federal and provincial portions of personal income taxes payable by Albertans.

RECOMMENDATION 24

Use democratic tools such as referenda and citizens' initiatives

The panel recognizes that the Premier has already committed the Alberta government to holding province-wide referenda on equalization, creating a provincial police force, and creating an Alberta Pension Plan. The panel commends the government on using the referendum mechanism to consult Albertans on issues of such importance.

The panel also recognizes that Alberta is committed to introducing legislation that would allow for a Citizens' Initiative Act, which would allow any Albertan to put important questions to a referendum.⁴⁵ The panel notes that in 2001, a private members bill was introduced by MLA Rev. Tony Abbot that would have created a *Citizen's Initiative Act*.⁴⁶

Alberta has a rich history with direct democracy, as it had similar legislation from 1913 to 1958.⁴⁷ Albertans voted against nationalizing public utilities in 1948. More recently, a majority of Albertans (along with a majority of Canadians) voted against ratifying the Charlottetown Accord in 1992.

RECOMMENDATION | Use democratic tools, such as referenda and citizens' initiatives, to seek Albertans' guidance on select fair deal proposals and other initiatives.

Many Albertans told the panel that they were very angry with the federal government's treatment of Alberta, especially on the subject of equalization. The proposed referendum on equalization would give Albertans an opportunity to engage actively and express their opinion on this question.

⁴⁵ This was announced in the 2020 Speech from the Throne available at <https://www.alberta.ca/release.cfm?xID=68680E310C972-E5C9-BDB0-DCF1A78A225C7CC1>.

⁴⁶ https://docs.assembly.ab.ca/LADDAR_files/docs/bills/bill/legislature_25/session_1/20010409_bill-211.pdf.

⁴⁷ <https://www.taxpayer.com/media/50.pdf>.

RECOMMENDATION 25

Affirm, in law and government policy, Alberta's cultural, economic and political uniqueness

The panel received an abundance of input from Albertans describing their *feelings* about their current position within Canada and the manner in which they are often perceived and treated by the federal government and other Canadians. These included feelings of being misinterpreted, misunderstood and alienated to the point that Albertans question their own identity and feel politically “homeless” in their own country.

Albertans could address such concerns and positively affirm their identity and value in many ways, from fiery speeches and manifestos, to declaring personal and provincial rights, to amending the *Alberta Act* of 1905, which created Alberta as a province, and drafting a formal provincial constitution.

Examining these options in detail is beyond the mandate and resources of this panel. We were unable to unanimously agree if we should recommend a formal constitution for Alberta. However, we do agree that an urgent need exists to explore ways to affirm, in law and government policy, Alberta's cultural, economic and political uniqueness, and its value, not only to Albertans, but also to Canada as a whole.

Such formal affirmation, properly communicated, would go a long way toward recognizing, addressing and alleviating the frustrations and fears of Albertans who no longer feel at home in their own country.

RECOMMENDATION | Explore ways and means to affirm Alberta's cultural, economic and political uniqueness in law and government policy.

PART III: Telling Alberta's story

The panel heard from Albertans across the province. These people spoke about Albertans losing their voices, losing their stories, losing their identities. Indeed, Alberta's story is increasingly being told, and often inaccurately, by others.

“ Canada doesn't know who we are anymore. ”

People lamented that facts about Alberta, particularly the province's energy sector, are frequently inconsistent, hence confusing. For example, environmentalists emphasize Alberta's carbon footprint, despite the energy sector's investments in innovation and improvements in environmental and social governance.

Some said that Alberta effectively communicates its story by directly engaging with Canadians, and they support such incremental gains. More often though, people spoke about feeling under siege or attack, especially from “climate change evangelists.” Many told the panel that they felt these attacks on the energy sector are unjust. They believe that Alberta's agriculture sector is next on the attack list. They argued that groups from outside Alberta, perhaps those with stakes in competitors to Alberta's oil, are funding campaigns intended to wipe out Alberta's energy sector.

“ Albertans should be encouraged to use the ‘charm offensive’...
Keep our elbows down a little more. ”

How can Alberta tell its story more effectively? Alberta should use every means possible to inform Canadians about its world leading practices in the energy, agriculture, and forestry sectors and the full cost that Alberta's failure would have on benefits currently shared by the country as a whole. Alberta should strongly, but not angrily, communicate the benefits when every region in Canada represents its own interests. We can also enlist the goodwill of other Canadians to help tell Alberta's story. For example, why don't we invite workers in Alberta who come from other provinces to be our ambassadors to the rest of Canada?

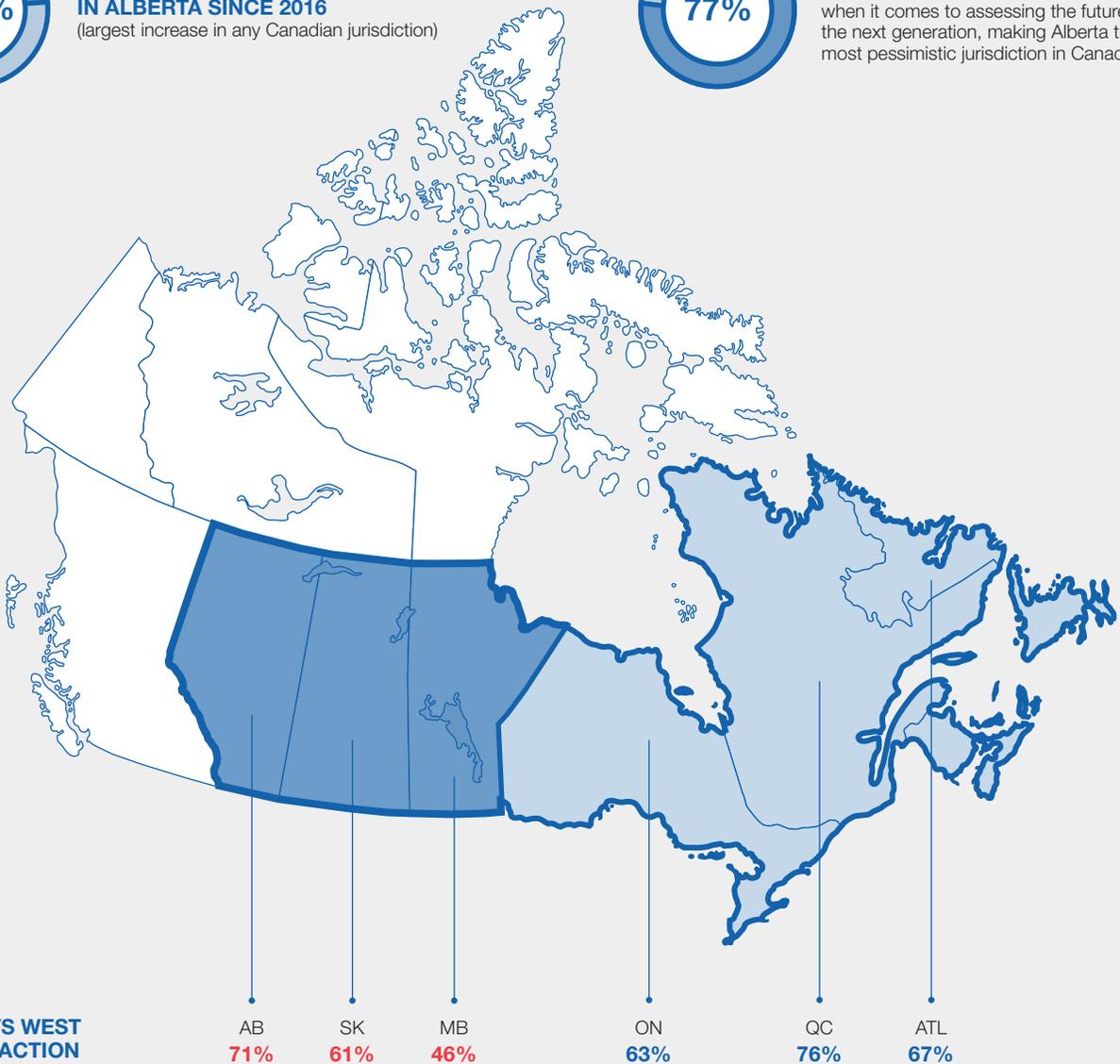
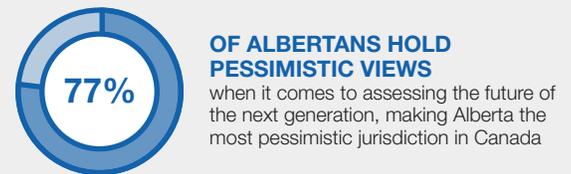
The panel also encourages Alberta to collaborate with others to build public trust. This can be done in many ways, for example:

- Share common key messages among stakeholder groups. For example: bring agriculture, forestry, tourism and energy perspectives together to coordinate Alberta's sustainability message. Collaborate across sectors (e.g. non-profit, for-profit, public) to support initiatives that educate the educators (e.g. curriculum design). Unite forestry, petro-chemical, agriculture and other sectors in support of pipelines to reduce shipments of bitumen by rail.
- Respond directly and assertively to federal government constitutional over-reach in Alberta's economy. Investors need to see that Alberta is represented in national policy and decision-making, and that Albertans can protect themselves from bias.
- Encourage transparent and multi-disciplinary, multi-stakeholder processes to evaluate, quantify and communicate risks in Alberta. For example: expand on Alberta's leading biodiversity monitoring and management systems that work with the energy, forestry and ranching sectors, and with First Nations, conservation groups and government.

While the panel recommends specific actions to the Government of Alberta, we also emphasize that the provincial government is not alone in having the capacity and motivation to tell Alberta's story. Unions, municipalities, companies, advocacy groups, non-profits — indeed, every citizen — has a critical and essential voice. Part of Alberta's history within Confederation reflects this distinctive western Canadian capacity to balance self-reliance with connections to others. We hope that this report will strengthen the ability of all Albertans to know our province's story and tell that story well.

There is a great story to tell. It has not been told well. It needs to be shared widely.

Satisfaction with Canada: a tale of two regions

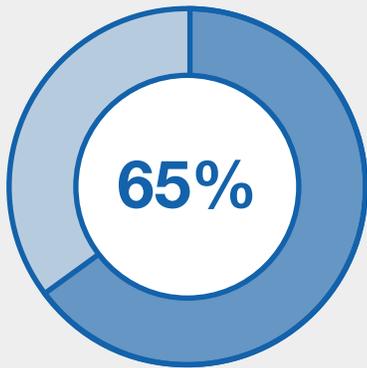


EAST VS WEST SATISFACTION

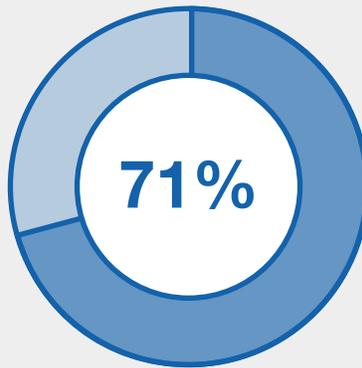
AB 71% SK 61% MB 46% ON 63% QC 76% ATL 67%

DISSATISFIED **SATISFIED**

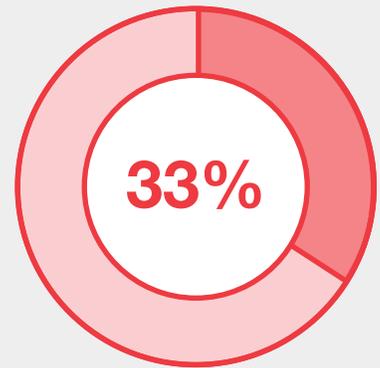
Alberta doesn't get its fair share



65% of Albertans agree with the statement "my province does not get its fair share from Confederation."



71% of Albertans agree with the statement "Canada's program of equalization payments is unfair to my province."



33% of Albertans agree with the statement "my province would be better off if it separated from Canada." **This is up from 25% just over a year ago.**

Source: Ipsos, November 2019, link: <https://www.ipsos.com/en-ca/news-polls/Canadians-Across-Regions-Feel-Country-More-Divided-than-Ever>

Independent businesses want a better deal



95%
of Alberta CFIB members agree that the province currently does not get a fair deal with the Canadian federation



93%
of Alberta CFIB members agree that Canada is facing serious challenges with respect to investor confidence



98%
of Alberta's small businesses agree that the strength of Canada's oil and gas industry is important to the whole country

Source: Canadian Federation of Independent Business, February 2020, link: <https://www.cfib-fcei.ca/en/advocacy/cfib-alberta-fair-deal-panel>

A sincere thank you to Albertans



A qualified and dedicated team made this report possible. Professional and diligent work by many ensured the success of 10 town hall meetings, online engagement and information sharing, face-to-face meetings with interest groups and experts, research and publishing of this report. The Fair Deal Panel extends heart felt appreciation to the team at Alberta Intergovernmental Relations. They capably navigated Alberta's winter roads and did whatever was required to assure the best possible outcomes. The Panel would further like to thank Yan Gao, Adam Kotlowitz, Jesse Fontaine, Cheyla Lachowsky, Kaitlynd Hiller, Denis Ram, Melanie Cheddi, and Bryce Selzler, law students at the University of Alberta, for their invaluable research and assistance. The panel would like to thank staff and colleagues, experts and interest groups, and everyone who cared enough about the future of Alberta to lend a hand in this endeavour.

Most of all, however, the panel would like to thank all Albertans. Thank you for participating in this process whether directly or by quiet conversation at your local coffee shop, for caring about your province and your neighbours, and for just being you.

You are a population of resilience, compassion, ingenuity and integrity. When times are tough, you work harder to ensure food stayed on the table, and when times are good, you give back to others in need. When a stranger's car breaks down on a dirt road, you generously give them gas and welcome them into your home for warmth. When something is functioning well, you still strive for better, more innovative solutions. When you shake a hand, that handshake is a contract. You proudly support your neighbourhood businesses. When the rest of Canada struggles, you sent money to their aid. And when anyone tries to redefine your identity in an ever-changing world, you always stand unwavering in your values and identity as Albertans.

You are resilient, driven, honest and compassionate.

Our panel knows that we are a province and a people worth fighting for. From the Great Depression when Albertans bound together in support and community, through all the ups and downs of the agriculture and energy sectors, to the present day when you give more to charity and civil society than any other province in Canada on a per capita basis. Your stories have truly inspired us and fueled our motivation to make this province better, just as you have always done.

You have given a lot to our province and to our country, and it is time that our province and country start giving back to you. We hope that the insights we have received through your feedback, and the recommendations they have inspired us to make, will assist your government to make meaningful, positive changes to preserve and enhance the Alberta way of life.

Thank you, again, for the time you took, whether directly or indirectly, to give us the knowledge and inspiration we needed to make these recommendations.

Appendicies

Appendix A | FDP mandate letter



Premier of Alberta

Office of the Premier, 307 Legislature Building, Edmonton, Alberta T5K 2B6 Canada

November 9, 2019

Honourable Preston Manning PC CC AOE
Stephen Lougheed
Oryssia Lennie CM
Jason Goodstriker
Donna Kennedy-Glans QC
Moin Yahya PhD JD
Drew Barnes MLA
Miranda Rosin MLA
Tany Yao MLA

Dear Members of the Fair Deal Panel,

Albertans have an unprecedented level of frustration with their place in the federation.

Five years of economic decline and stagnation have been deepened and prolonged by policies emanating from the federal and some other provincial governments, many of which have sought to landlock Alberta's vast energy resources. This, plus policies that interfere in areas of provincial jurisdiction, are seen by many Albertans as fundamentally unfair, particularly given the province's enormous contribution to the Canadian economy, and to fiscal federalism.

Recent public opinion surveys suggest that as many as one third of Albertans support the concept of separating from the Canadian federation, and that three quarters of Albertans understand or sympathise with this sentiment. Many Albertans who indicate support for federalism are demanding significant reforms that will allow the province to develop its resources, and play a larger role in the federation, commensurate with the size of its economy and contribution to the rest of Canada.

The Fair Deal Panel's mandate is to listen to Albertans and their ideas for Alberta's future. The Panel should focus on ideas that would strengthen our province's economic position, give us a bigger voice within Confederation, or increase provincial power over institutions and funding in areas of provincial jurisdiction. Specifically, the panel should consider whether the following measures would advance the province's interests:

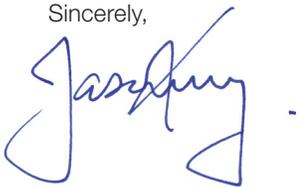
- Establishing a provincial revenue agency to collect provincial taxes directly by ending the Canada-Alberta Tax Collection Agreement, while joining Quebec in seeking an agreement to collect federal taxes within the province
- Creating an Alberta Pension Plan by withdrawing from the Canada Pension Plan
- Establishing a provincial police force by ending the Alberta Police Service Agreement with the Government of Canada
- Emulating Quebec's practice of playing a larger role in international relations, in part by seeking Alberta representation in treaty negotiations that effect Alberta's interests
- Emulating Quebec's legal requirement that public bodies, including municipalities and school boards, obtain the approval of the provincial government before they can enter into agreements with the federal government
- Using the existing provincial power to appoint the Chief Firearms Office for Alberta
- Opting out of federal cost share programs with full compensation, such as the federal government's proposed pharmacare program
- Seeking an exchange of tax points for federal cash transfers under the Canada Health and Social Transfers
- Establishing a formalized provincial constitution

The Panel's consultations and recommendations may extend beyond these concepts, and may include government platform commitments. The Panel should invite submissions and encourage discussion on the broad range of Albertans' views on how best to define and to secure a fair deal for Alberta; and how best to advance the province's vital economic interests, such as the construction of energy pipelines.

The Panel should conduct at least seven open town hall meetings across the province, and contract with a third party or parties to organize more structured citizens' reference panels to be conducted in different regions. All Albertans should be given an opportunity to provide input through online surveys, and other forms of direct feedback, both digital and traditional. The Panel may engage research vendors to conduct empirical qualitative and quantitative public opinion research (e.g. polling and focus groups.) The Panel should coordinate with Members of the Legislative Assembly who may consult their own constituents on Alberta's future. The Panel should consult with individuals or organizations who it believes can offer useful knowledge or experience.

The Panel should seek to conduct its public consultations between November 16 and January 30, 2019, and complete its report to the government by March 31, 2020. The budget for the Panel will be set at \$650,000. It will receive administrative support from Executive Council and other government departments as appropriate.

Sincerely,



Hon Jason Kenney
Premier of Alberta

Appendix B | Terms of reference

Purpose

This Panel will listen to Albertans, engage experts, and make recommendations to the Premier on potential actions Alberta could undertake to ensure A Fairer Deal for Alberta within the federation.

Scope

The Panel will not have decision-making authority, but rather serve in an advisory capacity to Premier.

In the course of the Panel's work, the following activities may be undertaken:

- Consultations, including capturing the stories of Albertans;
- Recommendation development

Background and context

On October 21, 2019, the federal Liberals won 157 seats out of 338 to form a minority government.

For the first time since 2011 when the government of Stephen Harper earned a majority Parliament after 5 years of minorities, Canada will be governed by a minority Parliament. Prime Minister Trudeau will hold on to power with a reduced caucus.

There has been increasing frustration in Alberta with the federal government regarding its approach to the federation and Alberta's place within it. Western alienation and separatist sentiments are on the rise in Alberta (and other western jurisdictions) and the election of a minority Liberal government with no representation from Alberta may stoke those flames. Recent polling suggests 80% of Albertans express sympathy for or understanding of separatist sentiments.

Alberta has long paid more than its fair share into the federation, both as an economic engine of the country and as a contributor to the fiscal federation. Yet, when Albertans need help and when the Alberta economy hangs in the balance, the federation seems unwilling to rally around Alberta's industries and its people.

As it stands now, the federation is not working for Albertans. It has not worked for Albertans in a long time and the cracks are beginning to show. Without concrete action to reassert Alberta's place within the federation and to ensure a Fairer Deal for Albertans, the state of our federation is in jeopardy.

The Honourable Jason Kenney has been clear that within the current climate it would be unconscionable for a Premier to not act. Therefore, this Panel has been established to ensure momentum and action on this important issue.

Principles

Alberta will engage with the federal government in a principled manner. The following three principles could guide the ongoing work of the Panel as they pursue Fairness for Albertans.

1. Listen to Learn

- The Panel's consultations will be, first and foremost, an opportunity to listen to the concerns of Albertans and make recommendations to address those concerns.

2. Albertans have a Voice in the Federation
 - Albertans' voices are important and they need to be heard, not just by their provincial government, but by the federal government as well.
3. Standing up for Alberta
 - The Government of Alberta will not sit idly by while a Liberal government works with other parties to hamper our economic strength.
 - The Government of Alberta will pursue all options available to ensure Alberta is treated fairly.
4. Albertans have Informed Choices
 - There is a large volume of information on western alienation and the options available to help address it. Albertans need and deserve to be informed of the choices available to the government.
5. Albertans have a Role in Determining the Outcomes
 - Albertans can inform the discourse on what constituted a fair deal for Albertans.

Desired outcomes

By launching a bold, firm, but fair plan against the real threat posed by the federal Liberal government, the Panel will work to achieve the following outcomes:

1. Albertans are Heard
 - Recommendations will be drafted after hearing from Albertans and ensuring their voices are taken into account.
2. A Strong Alberta
 - Alberta shall remain a strong defender of Alberta values within the federation and will ensure Albertans' voices are heard.
3. Fair Treatment for Alberta
 - First and foremost, Albertans must be treated fairly in the federation.
 - The current arrangements that see Albertans contributing to the economic well-being of Canada while simultaneously having to fight for the right for our economy to exist cannot continue.
4. A Strong Canada
 - When all provinces thrive, Canada thrives.

Mandate and activities

The work of the Panel will focus on two key action areas:

1. Consultations
 - Albertans are frustrated with the state of the federation and they need their voices heard.
 - Panel members will engage in consultations with Albertans to determine the path forward for Alberta and the country.
2. Recommendation Development
 - It is expected that the Panel will develop a robust and prioritized list of actions for Government's consideration.
 - These recommendations are to be provided to Government in a Final Report due no later than March 31, 2020

Membership

- Preston Manning PC CC AOE
- Stephen Lougheed
- Oryssia Lennie CM
- Jason Goodstriker
- Donna Kennedy-Glans QC
- Moin Yahya, PhD JD
- Drew Barnes, MLA
- Miranda Rosin, MLA
- Tany Yao, MLA

Term

The Panel shall be established from the date of signing the Ministerial Order until April 30, 2020.

Support

Support for the Panel will be provided through a Secretariat established within the division of Intergovernmental Relations in Executive Council.

One Executive Manager will be assigned to oversee the Secretariat on a part-time basis, while other staff will be assigned, as needed, to support the ongoing work.

Budget and compensation

\$650,000, including all remuneration

Compensation shall be based on the Committee Remuneration Order, Schedule 2, Part B. Travel shall be reimbursed per the Travel, Meal, and Hospitality Expense Policy.

Deliverables and timelines

The following deliverables are expected from the Panel.

Deliverable	Completion Timeline
Launch of the Panel	November 9, 2019
Consultations	December 2019 - January 2020
Final Report and Recommendations	March 31, 2020

Freedom of Information

Pursuant to Schedule 1 of the Freedom of Information and Protection of Privacy Regulation, as a panel established under section 7 of the Government Organization Act, the Fair Deal Expert Panel is designated as a public body. For purposes of carrying out the duties and responsibilities under FOIP, pursuant to section 1(f)(ii) of FOIP Heather Collier is designated as the head of the Fair Deal Expert Panel.

Appendix C | Meet the panel



Oryssia Lennie CM, Panel Chair

Ms. Lennie worked for the Government of Alberta for more than 25 years and, federally, was Deputy Minister of Western Economic Diversification Canada. She is also the recipient of the Lieutenant Governor of Alberta's 2002 Award for Excellence in Public Administration. In December 2016, she was appointed to the Order of Canada.



Preston Manning PC CC AOE

Mr. Manning's long record of public service includes work as founder of the Reform Party, as a Member of Parliament from Calgary Southwest from 1993-2002, and as the Leader of Her Majesty's Loyal Opposition from 1997-2000. He is one of Canada's leading thinkers on public policy and constitutional reform.



Stephen Lougheed

Mr. Lougheed is a national leader in innovation and technology-related businesses serving environmental, resource, utility, public sector and ICT markets. He has served on numerous boards and as President and CEO of Alberta Innovates.



Jason Goodstriker

Mr. Goodstriker was a member and former Band Councillor of the Blood Tribe of the Blackfoot people. He served as Alberta Regional Chief for the Assembly of First Nations and worked in a variety of capacities in the energy industry for many years. Chief Goodstriker passed away unexpectedly on January 16, 2020. He was a valued and irreplaceable member of the Fair Deal Panel.



Donna Kennedy-Glans QC

Ms. Kennedy-Glans represented the electoral district of Calgary Varsity in the Legislative Assembly of Alberta from 2012-2015. She chaired the all-party Standing Committee on Resource Stewardship and served as Associate Minister — Electricity and Renewable Energy. Before entering politics she had a distinguished career as a lawyer and businesswoman in the Alberta energy industry and founded a non-profit to train youth and professional leaders in Yemen and in First Nations communities in Alberta.



Moin Yahya PhD JD

Mr. Yahya is a Professor at the University of Alberta Faculty of Law, where he was Vice Dean from 2014-2019. Before attending law school, Yahya was employed with Industry Canada's Competition Bureau. He has an M.A. in Economics from the University of Alberta, a Ph.D. in Economics from the University of Toronto, and a J.D. (Summa Cum Laude) from Antonin Scalia Law School at George Mason University.



Drew Barnes MLA

Mr. Barnes is the MLA for Cypress-Medicine Hat. He was first elected in 2012. Barnes spent 26 years in real estate managing a successful real estate office in Medicine Hat before entering politics. He has a bachelor of commerce degree from the University of Alberta.



Miranda Rosin, MLA

Ms. Rosin is the MLA for Banff-Kananaskis. She was first elected in 2019. Rosin previously worked in communications and market development. She holds a Bachelor of Business Administration Degree in Marketing and International Business from the University of Regina in conjunction with the Shanghai Lixin University of Commerce.



Tany Yao, MLA

Mr. Yao is the MLA for Fort McMurray-Wood Buffalo. He was first elected in 2015. Yao previously spent 20 years in emergency response services, filling a variety of roles. He has also volunteered his time in support of various non-profit and charitable organizations.

Appendix D | Fair Deal Panel engagement

Town Halls

The Fair Deal Town Halls were attended by 2,500 Albertans who came together to share their stories and opinions. The Fair Deal Panel would like to thank each and every Albertan who attended the town halls and each of the speakers who were brave enough to share.

Location	Date	Number of Attendees:	Number of Speakers:
Edmonton	December 3, 2019	295	37
Red Deer	December 9, 2019	220	35
Calgary	December 10, 2019	475	39
Lethbridge	December 11, 2019	200	34
Grand Prairie	December 18, 2019	200	23
Fort McMurray	January 8, 2020	100	14
Fort Saskatchewan	January 9, 2020	175	29
Lloydminster	January 13, 2020	85	20
Medicine Hat	January 17, 2020	275	33
Airdrie	January 27, 2020	425	38

MLA Town Halls

Name	Date	Riding
Calgary	January 20, 2020	Calgary-Acadia
Penhold	February 3, 2020	Innisfail – Sylvan Lake
Aldersyde	February 4, 2020	Livingstone-Macleod and Highwood
Priddis	February 5, 2020	Banff – Kananaskis
Fort Macleod	February 6, 2020	Livingstone-Macleod and Cardston-Siksika
Brooks	February 7, 2020	Brooks-Medicine Hat
Cheadle	February 8, 2020	Chestermere-Strathmore
Camrose	February 12, 2020	Camrose
Sherwood Park	February 12, 2020	Strathcona – Sherwood Park
Lacombe	February 13, 2020	Lacombe-Ponoka
Vileneuve	February 13, 2020	Lac St.Anne - Parkland
Peace River	February 18, 2020	Peace River
Stony Plain	February 18, 2020	Spruce Grove – Stony Plain
Calgary	February 19, 2020	Calgary – Currie
Slave Lake	February 19, 2020	Lesser Slave Lake

The Fair Deal Panel would like to thank the following MLAs for hosting their own Fair Deal Town Halls:

- Minister Devin Dreeshen
- Jackie Lovely
- Jordan Walker
- Joseph Schow
- Minister Leela Aheer
- Lori Sigurdson
- Michaela Glasgo
- Minister Demetrios Nicolaides
- Minister Nate Glubish
- Minister Sonya Savage
- Miranda Rosin
- Muhammad Yaseen
- Nate Horner
- Nicholas Miliken
- Pat Rehn
- Roger Reid
- Searle Turton
- Shane Getson
- Matt Jones
- Minister Rebecca Schulz
- Minister Tanya Fir
- Minister Ric McIver
- Minister Tyler Shandro
- Richard Gotfried
- Whitney Issik

Partial List of Groups and Experts Consulted:

The Fair Deal Panel would like to thank the experts and groups that the panel has the pleasure of meeting and interviewing over the past few months. Your insights and expertise helped shaped this report and our recommendations.

- Agriculture for Life
- Airdrie Chamber of Commerce
- Alberta Investment Management Corporation
- Alberta School of Public Policy
- Alberta Urban Municipalities Association
- Calgary Chamber of Commerce
- Calgary School of Public Policy
- Canada Pension Plan Investment Board
- Canada West Foundation
- Canadian Association of Petroleum Producers
- Canadian Federation of Independent Business
- Canadian Taxpayers Federation
- City of Edmonton, Interim Manager, Adam Laughlin
- City of Medicine Hat
- Cochrane Conservative Club
- Dave Shields
- Economic Education Association of Alberta
- Edmonton Chamber of Commerce
- Explorers and Producers Association of Canada
- Fort McMurray Chamber of Commerce
- Frank Turner
- Help Seeker
- Jack Mintz
- Jana Steele
- Ken Goldade
- Leo deBever
- Lloydminster Oilfield Technical Society.
- Lorne Sawlm
- Mac VanWielengen
- Dr. Malcolm Lavoie
- Mayor of Edmonton, Don Iveson
- Medicine Hat Chamber of Commerce
- Medicine Hat Homeless Initiative
- Ministry of Agriculture and Forestry
- Ministry of Economic Development, Trade and Tourism
- Ministry of Environment and Parks
- Ministry of Treasury Board and Finance
- Pembina Institute
- PNWER - Alberta's Representative
- Progressive Group for Independent Business
- Project Confederation
- Dr. Richard Bird
- Ron Stuckert
- Dr. Ted Morton
- The Fraser Institute
- Western Stock Growers Association

As well, the Panel received numerous insightful electronic submissions from experts and groups, whose number are too many to enumerate in this report.

Online Engagement

The Fair Deal Panel would also like to thank the thousands of Albertans who participated in our online survey or submitted responses by email or through our online submission box.

Type	Date	Total Number of Submissions
Online Submissions	December 2019 – March 2, 2020	4,183
Fair Deal Panel Online Survey	February 28 – March 15, 2020	42,134
Email Submission to info@fairdeal.ca	December 2019 – March 2020	320

Appendix E | Poll and survey results – quantitative

Q1. Compared to other provinces in Canada, do you think Alberta is treated fairly or unfairly by the federal Government/in Confederation?	Public Engagement	Public Opinion Research
Base: Total answering	42,134	1,000
NET Fairly	29%	21%
NET Unfairly	64%	57%
Very fairly	20%	8%
Somewhat fairly	9%	12%
Neither fairly or unfairly	6%	20%
Somewhat unfairly	10%	21%
Very unfairly	54%	36%

Q2. Do you agree or disagree that Alberta should take action to get a better deal in Canada?	Public Engagement	Public Opinion Research
Base: Total answering	42,117	1,000
NET Disagree	32%	15%
NET Agree	63%	74%
Strongly disagree	19%	9%
Disagree	13%	6%
Unsure	5%	10%
Agree	11%	22%
Strongly agree	52%	52%

Q3. Given what you currently know, how much would the following options help Alberta improve its place in the federation? A lot or Somewhat (RANK)	Public Engagement	Public Opinion Research
Base: Total answering	42,134	1,000
Base: Total answering	41,829	1,000
The ability to trade our goods and services freely across provincial/territorial borders.	84% (1)	91% (1)
More equal representation in the federal institutions, such as the Senate and House of Commons.	75% (=2)	86% (3)
Major energy and resource projects built, like the Trans Mountain Pipeline Expansion Project.	75% (=2)	87% (2)
A different equalization formula.	70% (4)	79% (5)
To reassert and strengthen provincial authority over areas of provincial jurisdiction, such as natural resource development and the environment.	66% (5)	81% (4)
Playing a larger role in International Relations.	57% (6)	73% (6)
Seeking new fiscal arrangements, such as tax point transfers.	56% (7)	71% (7)
Opting out of federal cost-shared programs, with full compensation.	54% (8)	58% (9)
Ensuring all public bodies must seek approval of the provincial government before entering into funding agreements with other governments.	52% (9)	61% (8)
Establishing a provincial constitution.	52% (10)	51% (10)
Alberta establishing its own institutions, such as a tax collection agency, police force, or pension plan.*	51% (11)	
Alberta establishing its own tax collection agency, where it would collect both personal and corporate income tax*		51% (11)
Alberta establishing its own Pension plan, and withdrawing from the Canada Pension Plan*		42% (13)
Alberta establishing its own Police force, replacing RCMP*		35% (14)
Alberta alone or with other Western Provinces separating from the rest of Canada.	47% (12)	34% (15)
The appointment of an Alberta Chief Firearms Officer.	42% (13)	49% (12)

* Proposed institutions presented as one in online survey, and individually in telephone survey

Note:

Public engagement survey generated more than 22,000 open-ended replies to the question ‘What other actions could the provincial government take to secure a fairer deal for Alberta?’. An internal review is currently underway to determine the best approach for analysis.

Preliminary results displayed from coded responses to public opinion research (telephone survey). Chart only shows categories accounting for 5% or more of all comments.

Q4. What other actions could the provincial government take to secure a fairer deal for Alberta?	Public Engagement	Public Opinion Research
Base: Total answering	22,041	1,000
Having a stronger voice / Negotiate more for Alberta / Working to help Albertans		9%
Equal treatment for Alberta (including being treated more like Quebec)		8%
Make Alberta transfer payments to the federal government fair		6%
Better relationship with federal government / More professional conduct from UPC		5%
Increase control and ability for Alberta to move natural resources		5%
Equal representation federally / More control of western Canada affairs		5%
Referendum on separation from Canada / Make Alberta independent from Canada		5%
Provincial government listening / Being more open and accountable		5%

Note:

Public Opinion Research results weighted to Statistics Canada population proportions

Q5. What are the first three characters of the postal code where you live?	Public Engagement	Public Opinion Research
Base: Total answering	34,081	
Edmonton and region	27%	34%
Calgary and region	39%	37%
North	10%	10%
Central	15%	10%
South	9%	8%
Not disclosed	17%	

Q6. How old are you?	Public Engagement	Public Opinion Research
Base: Total answering	40,927	
18-24	3%	11%
25-34	18%	20%
35-44	25%	19%
45-54	20%	18%
55-64	20%	16%
65+	15%	16%
Prefer not to say	3%	

Q8. Are you ...	Public Engagement	Public Opinion Research
Base: Total answering	42,039	
Male	60%	50%
Female	39%	50%
Non binary/Third gender	1%	
Prefer to self-identify (Please specify):	1%	
Prefer not to say	6%	

