

UNITED STATES - ALBERTA RELATIONS



PROFILE

Capital: Washington D.C.

Population: 298 million (July 2006 est.)

Language: English

Government: Federal Republic

Head of State & Government:

President George W. Bush (R)
(term expires Jan 2009)

Currency: US Dollar
CDN\$1 = 0.89 US (August 2006)

GDP (PPP): US\$12.41 trillion (2005)

GDP Per Capita (PPP): US\$42,000 (2005)

GDP growth rate: 3.5% (2005 est.)

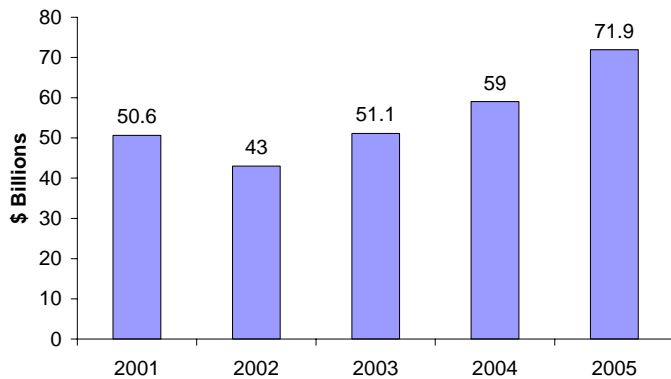
Inflation: 3.2% (2005 est.)

Unemployment: 5.1% (2005)

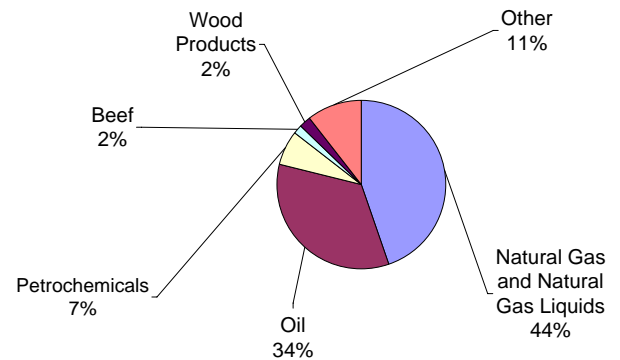
RELATIONSHIP OVERVIEW

- In 2005, the U.S. was Alberta's largest trading partner, buying over 90% of provincial exports.
- The U.S. provides 2/3 of foreign investment and 60% of foreign tourists to Alberta.
- 17 states are among Alberta's top 20 international export markets.
- Alberta has had close ties historically with the U.S. West, from where many early pioneers emigrated to southern Alberta in the early 20th century.
- The U.S. oil industry has been an important source of investment and technology for the Alberta oil patch since the 1940s.
- Growth of Alberta's energy sector, energy trade liberalization under NAFTA, and rapid development of the oil sands have made Alberta vital to Canadian and U.S. energy security.
- Alberta's relationship with the U.S. seeks secure and enhanced market access, and cooperation to address common problems and avoid disputes.
- Alberta was the first province to promote free trade with the U.S. and has benefited greatly. Alberta exports to the U.S. have increased dramatically under free trade.

Alberta Exports to the United States



2005 Exports to the U.S.



TRADE AND INVESTMENT

- Alberta's merchandise exports to the U.S. in 2005 were valued at close to \$72 billion, reflecting high world energy prices.
- The United States is Alberta's largest investment partner. Alberta was successful in attracting Dell to open a 2,250 person contact and service centre in Edmonton in January 2005. The newly constructed building opened in Edmonton's Research Park, October 5, 2006.
- Alberta also saw new or enhanced investments recently made by Johns Manville (Denver), Center Partners (Fort Collins), Sysco (Houston) and Argon Capital (Redwood City).

Energy

- Alberta is key to meeting US energy security needs and has a proven track record as a secure and reliable supplier of energy and petrochemical products to the U.S. and Canada.
- Over half of the oil and gas produced in Alberta is exported to the U.S, supplying markets from New York to California.
- Alberta's proven oil reserves, at 175.3 billion barrels, are the second largest in the world, after Saudi Arabia. Oil sands, at 173.7 billion barrels, account for most of Alberta's total reserves. Significant production growth from Alberta oil sands may triple oil production in the next decade, and create a wealth of opportunity for value-added investments.
- Oil: In 2005, Alberta supplied about 66% of all Canadian crude oil exports to the U.S., enabling Canada to become the largest supplier of crude oil to the United States, ahead of Mexico, Saudi Arabia and Venezuela. In 2005, Alberta crude oil exports to the U.S. were valued at \$24.6 billion, and Alberta held an 11% share of the U.S. import market.
- Natural gas: In 2005, Alberta supplied 60% of U.S. natural gas imports. In 2005, Alberta natural gas and natural gas liquids exports to the U.S. were valued at \$32.1 billion. The Alberta gas hub is key to delivering Alaskan gas to southern markets.

- Petrochemicals: Most of Alberta's petrochemical exports go to the U.S., with about \$5 billion in shipments in 2005.
- In 2005, Alberta oil, gas, natural gas liquids, mining and petrochemical exports to the U.S. totalled about \$62 billion.
- Alberta is strongly committed to working with the U.S. Administration on the development of continental energy markets, fostering innovation in all aspects of energy exploration, development and production, and sharing information about energy policy issues.
- About 70 Alberta based companies are reported active in all aspects of the U.S. energy industry, including exploration and production, drilling and service, and pipelines.

Agriculture

- In 2005, Alberta agri-food exports were valued at approximately \$2.5 billion.
- In the last five years, Alberta exported roughly 31% of its primary agricultural exports and 65% of its value added processed exports to the U.S.
- Alberta industry is concerned with the resumption of normal cross border trade flows in cattle and beef, and with the proposed mandatory regulations on country of origin labeling that are to take effect on September 30, 2008.
- Alberta supports free trade in agriculture and will work toward a continued collaborative effort between the U.S. and Canada in increasing trade between the two countries.

Forestry

- Alberta's total forest product exports to the U.S. in 2005 were valued at \$2.3 billion.
- Alberta is cautiously optimistic that the recently announced framework agreement provides the basis for resolving the long-standing dispute of Canadian exports of softwood lumber to the U.S.

Tourism

- Approximately 1 million Americans visit the province every year, accounting for more than 60% of Alberta's international tourists. In 2004 American tourist contributed \$764 million to Alberta's economy.

TRANSPORTATION

- Alberta recognizes that effective intermodal transportation links to U.S. markets are vital to provincial prosperity.
- Alberta is working with several U.S. states to develop CANAMEX – a seamless trade and transportation corridor stretching from Alaska, through Alberta and western states to Mexico.
- A Canada-U.S. joint customs and immigration facility at the Coutts-Sweetgrass border crossing opened in August 2003.

EDUCATION AND CULTURE

- Alberta post secondary institutions have active relationships with many U.S. institutions.
- Alberta and the U.S. co-operate in a teacher exchange program for elementary and high school teachers.
- Alberta College of Art + Design is an international affiliate of the US based Association of Independent Colleges of Art and Design.
- Mount Royal College has agreements with Texas Christian University, Texas; West Virginia University, West Virginia; and University of Iowa, Iowa.
- The University of Lethbridge currently has a student exchange agreement with Muskingum College in New Concord, Ohio.
- Southern Alberta Institute of Technology (SAIT), through Corporate Training - North America, has partnerships/training relationships with numerous companies including BP America Inc.; Honeywell Ltd.; and Wyoming Contractors Association.

TRANSBOUNDARY COOPERATION

The Alberta government works as a partner with American states in a wide range of forums and organizations, including:

- Montana Alberta Bilateral Advisory Council (MABAC)
- Alaska-Alberta Bilateral Council (AABC)
- Pacific Northwest Economic Region (PNWER)
- Western Governors' Association (WGA)
- Council of State Governments West (CSG-West)
- National Assn. of State Directors of Agriculture (NASDA)
- Western Assn. of State Highway & Transportation Officials (WASHTO)
- Energy Council
- Western Interstate Energy Board

- Western Legislative Forestry Task Force
- CanAm Border Trade Alliance

RECENT VISITS/MISSIONS

- June 2006: Premier Klein led an Alberta delegation to Washington D.C. for Alberta Week in Washington, followed by Alberta being featured at the Smithsonian Folklife Festival.
- March 2006: Premier Klein's mission to Alaska to discuss energy.
- June 2005: Premier Klein traveled to Colorado for the Annual Western Governor's Association Meeting and to New York to attract investment.
- March 2005: Premier Klein traveled to Washington D.C. for the official opening of the Alberta Office in Washington D.C., and to Boston, to speak at Harvard University.
- April 2004: Premier Klein traveled to New Mexico to participate in the Western Governors' Association North American Energy Summit.
- March 2004: Premier Klein traveled to Washington D.C. to make a formal presentation to the US Government on reopening the US border to Canadian beef.
- October 2003: Premier Klein traveled to California and Texas as part of the BC/Alberta Trade and Investment Mission.
- September 2003: Premier Klein attended the Western Governors' Association Annual Meeting in Montana.
- June 2003: Premier's Mission to Washington, D.C. and New York. While in Washington, D.C., the Premier met with U.S. Vice President Dick Cheney.
- The Minister of IIR regularly meets with federal and state level decision makers in Washington D.C. and the Pacific Northwest.
- A wide number of Alberta Ministers undertake regular missions to the U.S. to showcase the province and promote Alberta's policy objectives in areas such as agriculture, energy, and technology.

DIPLOMATIC REPRESENTATION

- The U.S. Ambassador in Ottawa is David Wilkins.
- The Canadian Ambassador in Washington is Michael Wilson.
- The U.S. Consul General in Calgary is Mr. Tom Huffaker.
- Canada has opened a number of Consulates in the West, as part of its enhanced representation initiative in the U.S.