

U.S.–Alberta Relations



PROFILE

Capital: Washington, D.C.

Population: 313.68 million (2012)

Language: English

Government: Federal Republic

Head of State & Government:
President Barack Obama (D)

Currency: U.S. Dollar (USD)
\$1 CDN = \$0.99 USD (April 2013)

Gross Domestic Product (GDP):
US\$15.09 trillion (2011)

Per Capita Income: US\$41,663 (2011)

GDP growth rate: 1.7% (2011)

Inflation: 1.7% (December 2012)

Unemployment: 7.6% (March 2013)

RELATIONSHIP OVERVIEW

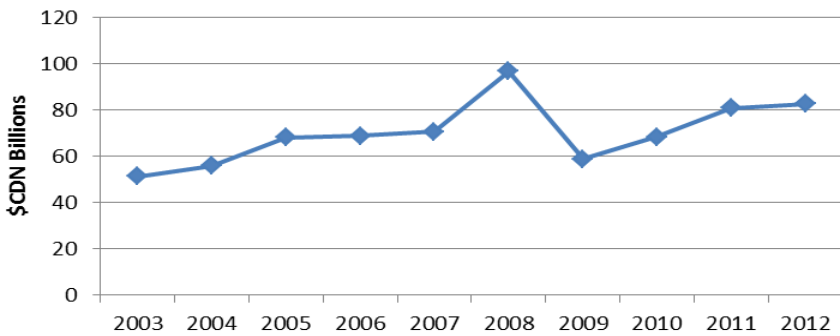
- The U.S. is, by far, Alberta's largest trading partner. Annual merchandise exports to the U.S. have averaged approximately \$75 billion over the past 5 years.
- The U.S. provides 2/3 of foreign investment and 60% of foreign tourists to Alberta.
- Alberta has close historic ties with western and Midwestern states, from where many early pioneers immigrated to southern Alberta in the early 20th century.
- The U.S. has been an important source of investment and technology in the development of Alberta's energy industry since the 1940's.
- Growth of Alberta's energy sector, energy trade liberalization under NAFTA, and rapid development of the oil sands have made Alberta an integral part of U.S. energy security.
- Alberta's engagement 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. increased dramatically under free trade.

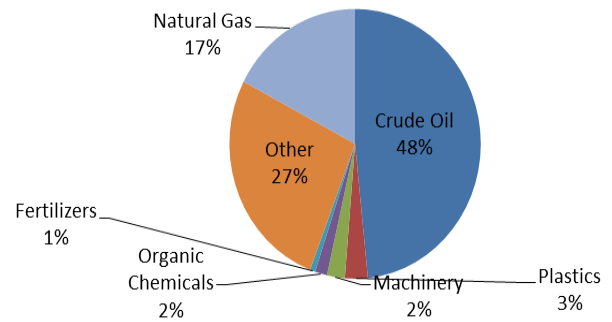
TRADE AND INVESTMENT

- Between 2008 and 2012 the U.S. accounted for 86.5% of Alberta's global exports.
- Nine of Alberta's top 10 and 17 of the provinces' top 20 export destinations worldwide are U.S. states.
- Alberta exports more to each of the six U.S. states than it does to China, the largest export destination outside of the U.S.
- In 2012, Alberta exported \$82.6 billion worth of goods to the U.S., an increase of 2.5% over 2011. The rise in exports was principally due to an increase in the value of crude oil exports to \$52.7 billion in 2011 from \$39.1 billion in 2010. This was the result of a 15.3% increase in the volume exported and a 14.7% increase in price.

Alberta's Domestic Exports to the U.S. (2003-2012)



Alberta's Domestic Exports to the U.S. (2008-2012 Average)



- Energy accounts for 81% of Alberta's exports to the U.S. While the values of crude oil exports have risen, the value of natural gas exports has fallen, principally due to lower prices.
- Other important export sectors are (2008-2012 average): plastics (\$2.7 billion), machinery (\$2.2 billion), organic chemicals (\$1.4 billion) and fertilizers (\$637 million).
- The U.S. is Alberta's largest investment partner. The U.S. accounts for 55% of FDI into Canada—six times more than the next largest investor country.
- The Canadian Association of Petroleum Producers (CAPP) has identified more than 906 U.S. based companies that supply equipment, parts and services used in the development of Alberta's oil sands.
- It is estimated that there will be \$177 billion in capital investment in the oil sands between 2011 and 2020. U.S. companies are significant investors and suppliers of parts, equipment and services in Alberta's oil sands.
- About 60 Alberta-based companies are active in all aspects of the U.S. energy industry, including exploration and production, drilling and service, and pipelines.
- Because of the close economic interrelationship between Canada and the U.S., 89 cents of every dollar that is spent on imported oil from Alberta returns to the U.S. economy in the form of U.S. exports to Canada. This compared to 34 cents for the OPEC average. Oil sands development is projected to generate \$521 billion in economic activity in the U.S. over the next 25 years.
- Because of this close economic partnership, the development of Alberta's oil sands will provide very significant economic benefits to the U.S. as well. A recent study by the Canadian Energy Research Institute (CERI) estimated that between 2011 and 2035 the development of Alberta's oil sands will contribute an average of between \$5.7 and \$15.3 billion per year to the economy of the U.S. and support an average of between 62,750 and 168,360 jobs per year, with these workers earning between \$2.7 and \$7.3 billion per year. The range of these forecasts depends on the ability of growing Alberta production to find pipeline access to market.

ENERGY & NATURAL GAS

- Alberta's energy exports to the U.S. were valued at \$63.3 billion in 2012. These exports were composed of \$45.3 billion of crude oil, \$16.2 billion of natural gas, \$1.3 billion of propane, \$954 million of refined oil, and \$1.4 billion of other energy products.
- Alberta currently accounts for 15% of total U.S. oil imports—by far the most of any supplier. Mexico and Saudi Arabia each account for 12% of U.S. imports, Nigeria for 11%, Venezuela for 10%, Iraq 5% and Angola 4%.
- Alberta's oil production of 2.2 million barrels per day in 2011 is projected to increase to 4.0 million barrels per day by 2021, presenting significant opportunities for additional exports to the U.S.
- Alberta is also the largest supplier of natural gas to the U.S., with the majority going to the Midwest.
- The U.S. has an estimated 97.5 trillion cubic feet (tcf) of shale gas reserves (2010) which could impact natural gas imports in the future. In 2010, the U.S. produced about 5.0 tcf of shale gas, accounting for 23% of total natural gas production. It is estimated that by 2035, almost 50% of natural gas produced in the U.S. will come from shale reserves.
- In 2011, Alberta exported approximately 1.589 tcf of natural gas to the U.S. The Alberta gas pipeline hub transports approximately 13.5 billion cubic feet per day (Bcf/d) of Alberta and Western Canada Sedimentary Basin (WCSB) natural gas to the North American pipeline system and would be the key to delivering Alaskan gas to southern markets.

AGRICULTURE

- In 2011, the value of Alberta agri-food exports totaled \$2.55 billion, increasing from 2010's \$2.4 billion.
- The U.S. is Alberta's largest trading partner for agri-food products and received 32% of Alberta's total agri-food exports in 2011. In 2010, this share was 36%.
- The U.S. is Alberta's sole market for live cattle and hogs (excluding purebred), and accounts for almost 74% of Alberta's beef exports by volume.
- 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.
- Alberta continues to be concerned over increasing border fees, inspections and other food safety measures that slow trade and increase costs.
- With 12 million consumers the Pacific Northwest region presents numerous opportunities for Alberta agri-food exporters.
- U.S. consumers are willing to pay for quality products and Alberta is well positioned to meet the growing demand for private label, ready meals, meats, natural, specialty and functional foods in the region.

TRANSPORTATION

- Alberta recognizes that effective intermodal transportation links to U.S. markets are vital to provincial prosperity.
- Alberta is working with several U.S. jurisdictions of the Ports-to-Plains Alliance which the province joined in 2009, to forge new trade links and ultimately to develop new markets for Alberta products.

EDUCATION & 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 and Design is an international affiliate of the U.S.-based Association of Independent Colleges of Art and Design.
- Mount Royal College has agreements with Texas Christian University, West Virginia University and the University of 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 and training relationships with numerous companies including BP America Inc.; Honeywell Ltd.; and Wyoming Contractors Association.
- SAIT Polytechnic has developed student transfer relationships with the University of Wyoming, University of Texas (Austin), University of Houston, University of Montana, Montana State University (Havre), Northwood University and Embry-Riddle Aeronautical University.
- SAIT Polytechnic belongs to a network called the Global Education Network (GEN) where they have a partnership with three other institutions around the world.
- The University of Alberta works with the Canada-U.S. Fulbright Commission to attract outstanding faculty to undertake visiting professorships.
- The University of Alberta has MOU's and agreements with several U.S. institutions: University of Georgia, University of Colorado School of Law, University of Alaska, University of Montana, University of New Mexico and New Mexico State University, University of California, George Washington University and the Akron General Medical Center.
- The University of Calgary provides internships, student exchanges and graduate programs with the following institutions: Colorado School of Mines; University of Tennessee at Knoxville, National Student Exchange; and the Washington Center for Internships and Academic Seminars.

FORESTRY

- The Softwood Lumber Agreement now in force between Canada and the U.S. constrains Alberta exports but is preferable to ongoing costly and uncertain trade litigation.

TOURISM

- In 2011, Alberta hosted 825,000 person-visits from the U.S., with visitor expenditures of \$580 million, which is a 2.7% increase compared to 2010. U.S. person-visits averaged over 1 million per year between 1998 and 2006 and average expenditures of \$672.7 million per year.
- California provided the largest number of person-visits in 2010, at 138,000, followed by Texas, with 66,000; Washington, with 63,000; and Montana with 49,000.

RECENT VISITS/MISSIONS

- April 2013: Premier Redford traveled to Washington, D.C. to promote oil sands development and Alberta's environmental regulations.
- March 2013: Governor of Colorado John Hickenlooper (D) conducted a trade mission to Alberta and participated in a site visit of the oil sands.
- March 2013: March 2013: Officials from the U.S. Pentagon and National Guard participated in a site visit of the oil sands.
- March 2013: U.S. Consul General for Alberta Peter Kujawinski visited Edmonton.
- February 2013: Premier Redford traveled to Washington, D.C. to attend the National Governors Association Winter Meeting.
- February 2013: Dave Quest, MLA Strathcona-Sherwood Park traveled to Austin, Texas to participate in the Ports-to-Plains Alliance Quarterly Board of Directors Meeting and attend the Texas Transportation Forum.
- January 2013: Richard Starke, MLA Vermilion-Lloydminster traveled to Juneau, Alaska to participate in a Pacific NorthWest Economic Region (PNWER) State Capital Visit.
- January 2013: Alana DeLong, MLA Calgary-Bow, traveled to Helena, MT, Olympia, WA and Boise, ID to participate in PNWER State Capital Visits.
- December 2012: Premier Redford traveled to Chicago, Illinois to deliver remarks at the Chicago Council on Global Affairs meeting, meet with the Canadian Consulate General in Chicago, local business leaders, labour groups and the Deputy Mayor of Chicago.
- December 2012: Premier Redford traveled to Scottsdale, AZ to participate in the Western Governors' Association Winter Meeting.
- December 2012: Representatives from the Southern States Energy Board participated in a site visit of the oil sands.

- December 2012: Dave Quest, MLA Strathcona-Sherwood Park traveled to Austin, TX to participate in the Council of State Governments Annual Conference.
- November 2012: Alana DeLong, MLA Calgary-Bow and Len Webber, MLA Calgary-Foothills traveled to Coeur d'Alene, ID to participate in the PNWER Winter Meeting.
- October 2012: Ports-to-Plains Alliance delegates and the US Consul General in Calgary participated in a site visit to the oil sands as part of the Port-to-Plains Alliance annual meeting held in Medicine Hat, AB.
- September 2012: Bridget Pastoor, MLA Lethbridge-East traveled to Washington, D.C. for the Canadian/American Border Trade Alliance Conference.
- August 2012: Democratic legislators participated in a site visit of the oil sands as part of the U.S. Congressional delegation.
- August 2012: Senator John Hoeven (R-North Dakota) participated in a site visit of the oil sands.
- July 2012: Council of State Governments-WEST (CSG-WEST) delegates participated in a site visit to the oil sands as part of the CSG-WEST annual meeting held in Edmonton.
- July 2012: Mike Allen, MLA Fort McMurray-Wood Buffalo traveled to Cleveland, OH for the Annual CSG Midwest Conference.

TRANSBOUNDARY COOPERATION

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

- Canadian/American Border Trade Alliance (CAN/AM BTA)
- Council of State Governments (CSG)
- Council of State Governments Midwest (CSG Midwest)
- Council of State Governments-WEST (CSG-WEST)
- National Association of State Directors of Agriculture (NASDA)
- Pacific NorthWest Economic Region (PNWER)
- Ports-to-Plains Alliance
- Western Association of State Highway & Transportation Officials (WASHTO)
- The Energy Council
- Western Governors' Association (WGA)
- Western Interstate Energy Board
- Western Legislative Forestry Task Force

DIPLOMATIC REPRESENTATION

- The U.S. Ambassador to Canada in Ottawa is David Jacobson.
- The Canadian Ambassador to the U.S. in Washington, D.C. is Gary Doer.
- The U.S. Consul General located in Calgary responsible for Alberta is Peter Kujawinski.
- The Alberta Representative in the Alberta-Washington Office is David Manning.

