

U.S.-Alberta Relations



PROFILE

Capital: Washington, D.C.

Population: 324.13 million (2016 est.)

Language: English

Government: Federal Republic

Head of State & Government:

President Barack Obama (D)
Second term (term expires January 2017)
Two consecutive term limit absolute.

Currency: U.S. Dollar (USD)
\$1 CAD = \$0.75 USD (October 2016)

Gross Domestic Product (GDP):
US\$18.4 trillion (2016 forecast)

GDP Per Capita: US\$55,836 (2015)

GDP Growth Rate: 2.6% (2015)

Inflation: 0.4% (October 2016)

Unemployment Rate: 4.9% (October 2016)

RELATIONSHIP OVERVIEW

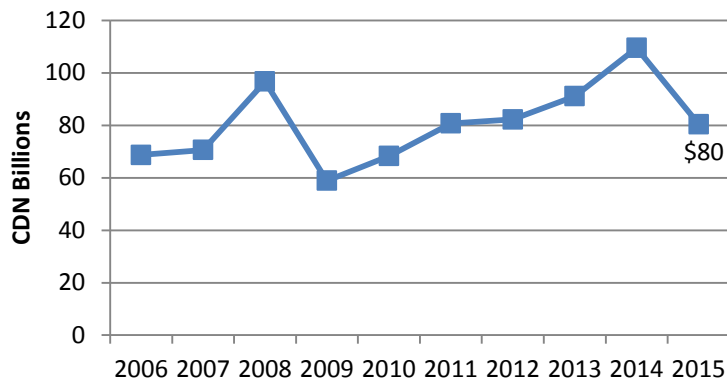
- The U.S. is by far Alberta's largest trading partner. Annual merchandise exports to the U.S. have averaged approximately \$88.8 billion a year over the past five years.
- Alberta has close historic ties with Western and Midwestern states, from where many early pioneers immigrated to southern Alberta 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 1940s.
- 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 imports.
- Alberta's engagement with the U.S. focuses on secure and enhanced market access, and cooperation to address common problems and avoid disputes.
- The Canadian Association of Petroleum Producers has identified more than 1,900 U.S.-based companies that supply equipment, parts and services used in Alberta's oil sands.

TRANSBOUNDARY COOPERATION

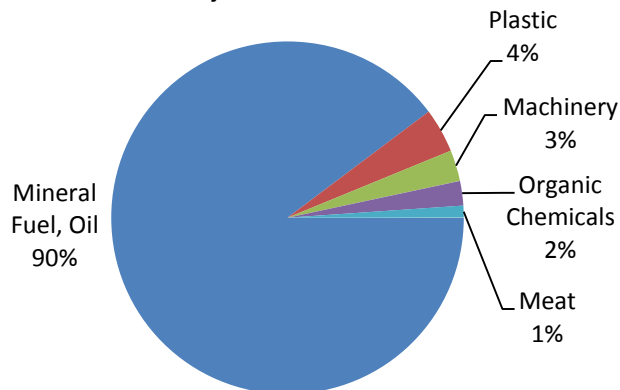
The Alberta government works as a partner with American states in a wide range of forums and organizations, including:

- Canadian/American Border Trade Alliance (Can/Am BTA)
- Council of State Governments (CSG) National
- 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 (PTP)
- Western Association of State Departments of Agriculture (WASDA)
- Western Association of State Highway & Transportation Officials (WASHTO)
- The Energy Council
- Western Governors' Association (WGA)
- Western Interstate Energy Board
- Western Legislative Forestry Task Force (WLFTF)
- State Agriculture and Rural Leaders (SARL)

Alberta's Exports to the U.S., 2006-2015



Alberta's Exports to the U.S., 2011-2015



ENERGY/NATURAL GAS

- Alberta is the largest supplier of natural gas to the U.S., with the majority going to the Midwest.
- The U.S. has an estimated 388 trillion cubic feet (Tcf) of natural gas reserves of which 199 trillion cubic feet (Tcf) is in shale gas reserves (2014). These reserves could impact natural gas imports in the future.
- In 2014, the U.S. produced approximately 13.4 Tcf of shale gas, accounting for 40% 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 2015, Alberta exported approximately 4.2 billion cubic feet per day of natural gas to the U.S.
- Alberta's oil exports to the U.S. continue to grow, rising to 30% (2.2 million barrels per day, or m b/d) of total U.S. imports in 2014, from its 26% (2m b/d) share in 2013. Including supply from the rest of Canada, which accounts for 9% (660k b/d) of U.S. imports, Canada's share has reached a new record and is now greater than the combined imports from the U.S.'s next three largest suppliers: Saudi Arabia at 16% (1.2m b/d), Mexico at 11% (781k b/d), and Venezuela at 10% (733k b/d).
- Alberta's marketable oil sands production reached 2.2m b/d in 2014 and oil sands production is projected to increase to 3.8m b/d by 2024.
- Alberta's exports of crude oil to the U.S. were valued at \$91 billion in 2014.

AGRICULTURE

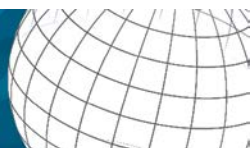
- The U.S. is Alberta's largest trading partner for agriculture and food products, accounting for 39.3% (\$4.0 billion) of Alberta's total agri-food exports in 2015 (\$10.2 billion – 4.5% higher than in 2014).
- The U.S. is Alberta's largest market for live cattle and hogs (excluding purebred), and accounts for almost 68% of Alberta's beef exports by volume to all markets.
- Alberta supports free trade in agriculture and will work toward a continued collaborative effort between the U.S. and Canada to facilitate the flow of goods and services across our shared border.
- Alberta continues to be concerned with increasing border fees, inspections, and other measures that slow trade and increase costs; specifically the USDA Animal and Plant Health Inspection Service fee increases which came into effect in December 2015.
- On December 18, 2015, President Obama signed a law repealing U.S. country of origin labelling (COOL) legislation for beef and pork. COOL measures were implemented in 2008.
- COOL impeded Canada's live cattle and hog exports to the U.S., disrupted the integrated North American meat processing system, and was repeatedly found to be non-compliant with U.S. international trade commitments by the World Trade Organization (WTO).
- The Canadian and Alberta governments undertook extensive advocacy efforts to influence the U.S. to comply with their WTO obligations regarding COOL. As a result of these efforts, anti-COOL resolutions were passed by the following organizations: SARL, CSG National, CSG Midwest, CSG West, PTP, Can/Am BTA, and PNWER.

FORESTRY

- The Canada-U.S. Softwood Lumber Agreement (SLA) expired on October 12, 2015. The SLA contained a "standstill" provision in which the U.S. committed to not initiate trade litigation against Canadian lumber for a period of one year. However, trade litigation will likely begin after the expiry of the standstill period if the SLA is not revived or a new agreement is not negotiated.

INDUSTRY & TECHNOLOGY

- Oil sands investment provides significant supply chain opportunities for Canada's trading partners. The Conference Board of Canada has predicted that the U.S. will supply over \$65 billion in manufactured equipment for the oil sands by 2035.
- Alberta is Canada's leading producer of petrochemicals, with \$13 billion in annual sales.
- Alberta is also home to two of the world's largest ethane cracking facilities and to global companies such as Dow, Nova, Shell and Williams Energy.
- The Alberta government has established strategic technology partnerships with leading U.S.-based technology companies to accelerate technology commercialization opportunities in Alberta.



TRADE AND INVESTMENT

- In 2015, Alberta's exports to the U.S. totalled \$80.4 billion.
- Alberta's exports to the U.S. accounted for 87% of total provincial exports in 2015.
- From 2011 to 2015, the U.S. accounted for 87.9% of Alberta's global exports.
- In 2015, 17 of Alberta's top 20 export destinations worldwide are U.S. states.
- Alberta exports more to each of six U.S. states (Illinois, Washington, Texas, Michigan, Minnesota, and Oklahoma) than it does to China, Alberta's largest export destination outside the U.S.
- Energy products accounted for 78% of Alberta's exports to the U.S. in 2015.
- Other important export sectors are (2011-2015 annual average): plastics (\$3.2 billion), machinery (\$2.3 billion), organic chemicals (\$1.8 billion), meat (\$887 million), wood (\$688 million) and inorganic chemicals (\$691 million).
- The U.S. is Alberta's largest investment partner. The U.S. accounts for 55% of foreign direct investment into Canada—six times more than the next largest investor country.

TRANSPORTATION

- Alberta recognizes that effective intermodal transportation links to U.S. markets are vital to provincial prosperity.
- Rail plays an important role in transporting crude oil, with National Energy Board data showing a nine-fold increase in crude by rail shipments between early 2012 and late 2013. Crude by rail exports were approximately 163,000 barrels per day in the second quarter of 2014.
- Alberta crude is being shipped by rail to Axeon's Paulsboro refinery in New Jersey and to Kinder Morgan's Perth Amboy terminal in New York State.
- Alberta is working with several U.S. jurisdictions within the PTP, which the province joined in 2009, to forge new trade links and ultimately to develop new markets for Alberta products.

IMMIGRATION & LABOUR

- From 2010-2014, 37,080 U.S. foreign workers were issued a permit to work in Alberta. Approximately 8% were issued open employment permits and the rest were most commonly occupied as professional occupations in business management consulting, information systems analysts and consultants, mechanical engineers, construction managers, and civil engineers.
- Alberta recognizes specific credentials issued by U.S. regulatory authorities for the boilermaker, electrician, elevator constructor, ironworker, steamfitter, pipefitter, and welder trades.
- A new and redesigned federal immigration system aims at addressing skills shortages and reducing application processing times including a job-match function that can be a useful tool for job seekers in the U.S.

EDUCATION

- From 2010-2014, 1,556 foreign students from the U.S. were issued a permit to study in Alberta.
- 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.
- Faculty at MacEwan University have been working on research projects from the following institutions: Washington University; Michigan Technological University; Eastern Illinois University; John Hopkins University; SETI University; Georgia Institute of Technology; Brown University; University of San Diego; University of California, San Diego; Scripps Institution of Oceanography; Ithaca College; Wood Buffalo National Park; Eastern Kentucky University; University of North Carolina at Chapel Hill.
- The University of Alberta has Memorandums of Understanding (MOU) 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.

CULTURE/TOURISM

- In November 2014, Alberta Culture and Tourism was an exhibitor at the North American Hotel Investment Conference in Chicago, Illinois.
- In 2014, Alberta hosted 772,000 person-visits from the U.S., with expenditures of approximately \$731 million.
- The U.S. Pacific Region provided the largest number of overnight person visits to Alberta in 2014, at 209,864. This region includes the states of California, Oregon, Washington, Alaska, and Hawaii.

RECENT VISITS/MISSIONS

- November 2016: Robyn Luff, MLA, Calgary-East travelled to Boise, Idaho, to attend the PNWER Winter Meeting and present on Alberta's Climate Leadership Plan.
- October 2016: A five member delegation from Minnesota, including two state legislators, travelled to Edmonton to tour the Edmonton Waste Management Centre.
- September 2016: Estefania Cortes-Vargas, MLA, Strathcona-Sherwood Park, travelled to Coeur d'Alene, Idaho to attend the CSG West Annual Meeting.
- July 2016: Cameron Westhead, MLA, Banff-Cochrane, travelled to Milwaukee, Wisconsin to attend the annual CSG Midwestern Legislative Conference.
- June 2016: A delegation of eight state legislators representing Arizona, Connecticut, Illinois, Michigan, Minnesota, Mississippi, New Hampshire, and Wisconsin travelled to Alberta as part of the Rising State Leaders program.
- June 2016: Cameron Westhead, MLA, Banff-Cochrane, travelled to Minneapolis, Minnesota to attend a CSG Midwest Energy Subcommittee meeting.

DIPLOMATIC REPRESENTATION

- His Excellency Bruce Heyman is the U.S. Ambassador to Canada in Ottawa.
- The Canadian Ambassador to the U.S. in Washington, D.C. is David MacNaughton.
- Tom Palaia is the U.S. Consul General in Calgary, Alberta.
- Gitane De Silva is Alberta's Senior Representative to the U.S. in Washington D.C.

