



BUSINESS COUNCIL OF ALBERTA

February 8, 2021

The Honourable Chrystia Freeland, PC, MP
Deputy Prime Minister and Minister of Finance
Government of Canada
House of Commons
Ottawa, ON K1A 0A6

Sent via Email

Dear Deputy Prime Minister Freeland:

Thank you for taking the time to meet with the Business Council of Alberta (BCA) last week to discuss priorities and directions for the federal government's 2021 budget.

In your opening remarks, you noted that there is light at the end of the COVID tunnel and that recovery efforts need to be focused on jobs and economic growth, as well as recognizing and addressing the challenges facing Canada's energy sector. You also stated that while governments have a role to play in developing a framework for jobs and growth, at the end of the day, it is the private sector that must create those jobs and drive that recovery.

We agree entirely with your assessment. We also recognize that drafting a budget is challenging at the best of times, and that today, that challenge is magnified by continued uncertainty about vaccine availability and rollout, as well as the potential impact of new strains of COVID on the strength and pace of economic recovery.

In its fall 2020 fiscal update, the federal government announced that it will be spending up to \$100 billion on a stimulus plan to kick-start Canada's economic recovery. This money needs to be spent strategically, in a way that sets Canada up for future prosperity, and in so doing, brings about a sustainable fiscal future. Given the disproportionate impact of the pandemic on the Alberta economy, we believe that a disproportionate share of those funds should be spent in Alberta.

With an enabling framework and early investment, Alberta can turn from a liability in Canada's economic recovery to a valuable asset in building back better. Moreover, as Canada's largest energy producer and leading source of GHG emissions, Alberta offers the greatest opportunity to both reduce emissions and add economic value.

In that spirit, please find attached a copy of our 2021 pre-budget submission. In it, we make several recommendations for short-term recovery, as well as bold longer-term initiatives to help the country build back better.



To accelerate the recovery in the short-term, we recommend:

- Prioritizing vaccine procurement and development above all other initiatives;
- Providing meaningful support to heavily impacted large businesses, including Canada's airlines; and
- Developing and implementing a made-in-Canada approach to supporting major GHG emissions projects that allow Canada to compete for green investment, specifically carbon capture, utilization, and storage.

Longer term, we believe action in the following areas will add strength to the short-term recovery and set Alberta and Canada on a solid path forward:

- Invest in skills training through the Workforce Development Agreement, with an emphasis on high-unemployment provinces;
- Accelerate approvals for shovel-ready infrastructure projects and support 5G connectivity as a recovery enabler;
- Expand the list of eligible expenses that qualify as "clean investment" under the Capital Cost Allowance program; and
- Create a 30-year, \$30 billion Canada Climate Innovation, Technology and Export Initiative to fund public-private research and development in emissions reduction technologies, low-carbon fuels, and alternative products using energy assets.

Underpinning all these recommendations, however, is the need for the federal government to create a world-leading competitive and innovative policy environment. A full economic recovery for all, along with a meaningful reduction in GHG emissions, cannot happen without, at minimum, hundreds of billions of dollars in private sector capital investment. Attracting that investment will require significant improvements to Canada's business climate, including creating the world's most attractive environment for the testing, commercialization, and scaling of technologies and innovations; as well as dramatically improving and accelerating the country's regulatory and project approvals systems.

The Business Council of Alberta is committed to building a better Alberta within a more prosperous Canada. We look forward to working with you and your office to advance this goal.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Legge".

Adam Legge

President, Business Council of Alberta