

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

ALBERTA ROYALTY REVIEW PANEL

Before Board Panel:

- Bill Hunter - Board Chairman
- Judith Dwarkin - Board Member
- Andre Plourde - Board Member
- Evan Chrapko - Board Member
- Ken McKenzie - Board Member
- Sam Spanglet - Board Member

HELD AT:

Oil Sands Discovery Centre  
Fort McMurray, Alberta  
June 6th, 2007  
Volume XI

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

APPEARANCES

Francis Jean ) Private Citizen  
James Pratt ) Private Citizen  
Dave Kirschner ) Private Citizen

	TABLE OF CONTENTS	
		Page No.
1		
2		
3	Opening Comments	4
4		
5	Presentation by Francis Jean	6
6	Questions by Board	12
7		
8	Presentation by James Pratt	25
9	Questions by Board	29
10		
11	Presentation by Dave Kirschner	39
12	Questions by Board	44
13		
14		
15		
16		
17	Certificate of transcript	51
18		
19		
20		
21		
22		
23		
24		
25		

1 --- Upon commencing at 9:04 a.m.

2

3 THE CHAIRPERSON: Good morning, ladies  
4 and gentlemen, and welcome to the Royalty Review Panel  
5 Grand Prairie Public Forum.

6

7 (BRIEF PAUSE)

8

9 THE CHAIRPERSON: Sorry, Fort McMurray.  
10 We've been on the road for awhile, I apologize. Fort  
11 McMurray Public Forum; and thanks for your interest in  
12 Alberta's royalty and tax regime.

13 Your input is a very important part of our  
14 work and we appreciate your time and effort. I'd like to  
15 introduce the panel to our guests today. We have on my  
16 far right Ken McKenzie, Evan Chrapko, Andre Plourde, Sam  
17 Spanglet and my name is Bill Hunter and this is Judith  
18 Dwarkin.

19 A little bit of housekeeping before we  
20 start. Today's presenters for individual presenters  
21 we'll allot five (5) minutes for your presentation and  
22 then we'd ask that you allow the panel to ask you some  
23 questions of clarification. Any organization presenting  
24 today will be allotted ten (10) minutes and, again, the  
25 panel will take the opportunity to ask questions.

1                   If you have a submission with you today  
2 and you'd like to leave it with us, there's various team  
3 members in the audience, plus the registration desk where  
4 you can leave it. If you haven't brought a submission  
5 and you'd like to do that, if you go to our website,  
6 albertaroyaltyreview.ca, there's a mechanism of how you  
7 can get the submission to us and I'd like to identify  
8 that our receiving of public submission closes by June  
9 22nd.

10                   In case there's an emergency, I'd  
11 appreciate it if you'd familiarize yourself with the  
12 closest exit. So we have one (1) in that back corner,  
13 one (1) in this back corner and two (2) on either side of  
14 the stage.

15                   For those of you who are in -- occupy cell  
16 phones and Blackberrys, if you could shut those off so we  
17 don't have any noisy interventions into the opportunity  
18 to hear our presentations this morning.

19                   Everything we're doing this morning is  
20 being transcribed. That does two (2) things for us: it  
21 allows us to post the exchange for the presenters on our  
22 website, as well as it captures, in detail, our exchange  
23 during the question period.

24                   If there's any media in the audience  
25 today, I'd be glad to speak to you at the break, but in

1 the interim, I'd appreciate if you'd respect the  
2 surroundings and environment of the presenters and the  
3 panels during the proceedings.

4 And again, on behalf of Albertans and the  
5 panel, thank you very much for your attendance this  
6 morning.

7 So the panel has the opportunity to hear  
8 from Ms. Jean, an Albertan citizen, if you're here now.  
9 I have a young man here to make sure you make it up on  
10 the stage because we've had some near misses yesterday on  
11 the tight proximity, so.

12 MS. FRANCIS JEAN: And I'm very old.

13 THE CHAIRPERSON: No, it has nothing to  
14 do with age, it's just a very tight space. Before you  
15 start, Ms. Jean, I just recognize that we have another  
16 young man here in the front row that's our timekeeper and  
17 he'll help you keep to the five (5) minutes with some  
18 coloured placards

19 MS. FRANCIS JEAN: Oh, okay.

20 THE CHAIRPERSON: So whenever you're  
21 ready.

22

23 PRESENTATION BY MS. FRANCIS JEAN:

24 MS. FRANCIS JEAN: Thank you. Thank you  
25 for allowing me to speak to you today. My name is

1 Francis Jean and I have lived in Fort McMurray for forty  
2 (40) years. We have run successful family businesses  
3 here and I've been very involved in the community. This  
4 is my home.

5                   When you consider a revision in the  
6 royalty and tax regime, please consider the effects of  
7 this unplanned prosperity on the people and our assets.  
8 The rate which comes to the people of Alberta should  
9 reflect present needs and future generations, keeping in  
10 mind that this is not a renewable resource.

11                   I think we all agree the free market  
12 economy is the one that works best in normal times. I'm  
13 talking now about the land. These times in Fort McMurray  
14 are not normal. The Alberta Government holds a monopoly  
15 on the land and as land was not released before the need,  
16 the market has been driven up accordingly. Ordinary  
17 people in Fort McMurray cannot afford to buy a lot, a  
18 house or a trailer. And even a couple making big money  
19 at the plants must both work to pay their mortgage.

20                   In the '70s both the Government and the  
21 oil companies provided lots and housing for the influx of  
22 workers. This allowed young people an opportunity to own  
23 their own home. There is no such opportunity today.

24                   Water is our most precious resource. It  
25 is life to the people in the north. The amount of water

1 being used in one (1) day is equal to that used by a big  
2 city. Forty (40) years ago fish was a staple diet for  
3 the people of Fort Chipewyan, now it is recommended that  
4 we eat only one (1) pickerel a week. Not only are our  
5 rivers being depleted, but they are polluted to this  
6 extent.

7 I understand most of your presenters have  
8 been in favour of the status quo as far as royalties are  
9 concerned. While I don't profess to know anything about  
10 royalty rates, status quo is something I do know about.

11 The status quo for Fort McMurray is this;  
12 people sleeping on the streets, a minimum wage for the  
13 service sector of fifteen (\$15) to twenty dollars (\$20)  
14 an hour, and that's for teenagers.

15 The status quo is not being able to walk  
16 on the beautiful river trail built some years ago by the  
17 Alberta Government. We can't walk on that trail because  
18 it's occupied by squatters, many of them drug use --  
19 users and criminals.

20 Status quo is young children being left  
21 alone while both parents work long hours. It is having  
22 no lots and no housing for our young people to purchase.  
23 It is have -- having people paying a thousand dollars  
24 (\$1,000) and up for a one (1) -- for a bedroom, eight  
25 hundred dollars (\$800) for a living room couch and

1 thirty-five hundred dollars (\$3,500) for an apartment.

2                   Poor roads, not enough water or sewer  
3 capacity for development is our status quo. An hour and  
4 a half trip from work on a 20 mile stretch because of the  
5 traffic and, heaven forbid, should there be an accident  
6 on that busy road, it can take up to four (4) to six (6)  
7 hours to travel home. And then they go to work at six  
8 o'clock the next morning.

9                   The status quo of Fort McMurray is -- is  
10 Fort McMurray having about the highest house prices in  
11 Canada and the least amount of doctors per population.

12                   We have the same infrastructure now that  
13 we had twenty (20) years ago when we only had two (2)  
14 plants running at half their capacity.

15                   The present royalty regime was designed  
16 when oil prices were low, production costs high, and  
17 indeed there was even doubts about the feasibility of the  
18 projects themselves. This has all changed. Production  
19 costs are now low and oil prices are very high.

20                   I understand that most of the expansions  
21 of the plants are being paid out of cashflow. What small  
22 business wouldn't love to have that option? Shareholders  
23 of the oil companies are rubbing their hands with glee as  
24 their shares escalate.

25                   Out-of-town workers are enjoying high

1 wages and many receive a tax free living-out allowance.  
2 These people work side by side with people who live in  
3 McMurray, who pay their taxes here, who are our  
4 volunteers and although they receive good wages, they do  
5 not receive the hundred and thirty-five dollars (\$135) a  
6 day LOA that the out-of-town workers receive. This makes  
7 bitter local workers and feeds the greed to charge a  
8 thousand dollars (\$1,000) a month for one (1) room. It  
9 is the ordinary citizens of Fort McMurray who are  
10 suffering through this boom.

11                   Former Premier Ralph Klein admitted he had  
12 no plan for the pressures of this prosperity; a  
13 prosperity which flows to all Albertans, indeed to all  
14 Canadians. It is the people of Fort McMurray who suffer.

15                   Young couples cannot afford to buy a home,  
16 a lot or a trailer if they work in the service sector.  
17 Locals don't travel Highway 63 on Thursday, Friday or  
18 Sunday. Those are the death days. Where is our twinned  
19 highway? I don't see anything being done on it. There  
20 is more traffic daily between Beacon Hill and Thickwood  
21 Boulevard than there is on Highway 2 at the Red Deer  
22 junction.

23                   We all know that there is no plan for Fort  
24 McMurray for this prosperous era, but there is something  
25 you can do. Development of future plants should be

1 halted until our infrastructure has a chance to catch up.  
2 Plants should commit to providing housing for their  
3 employees and the royalty rate should reflect  
4 compensation to go directly to infrastructure needs in  
5 Fort McMurray. The people of Fort McMurray, where the  
6 wealth comes from, should enjoy the same standard of life  
7 as the rest of Canada.

8                   A separate tax classification should be  
9 made for industry. Their assessment rate is based much  
10 lower than business and housing rates. Rural small  
11 family businesses should not have the same mill rate as  
12 an industrial complex. By the Government setting an  
13 industrial rate, it would enable the municipality to tax  
14 oil sands plants so that they pay their fair share of the  
15 community's requirements.

16                   When you consider changing royalty and tax  
17 rates, please consider the plight of the ordinary  
18 citizens of Fort McMurray who have made their -- this  
19 city their home and are now being victimized by the boom.  
20 Thank you.

21                   THE CHAIRPERSON: Thank you, Ms. Jean.  
22 If you'd allow us a few questions?

23                   MS. FRANCIS JEAN: Certainly.

24                   THE CHAIRPERSON: Judith...?

25

1 QUESTIONS BY BOARD:

2 MS. JUDITH DWARKIN: Thank you and good  
3 morning. The concerns that you've expressed with respect  
4 to the pressures of the boom on the citizenry of Fort  
5 McMurray we have heard in other communities that we  
6 visited as well. So it is a -- an issue that is -- is  
7 recognized, it seems quite broadly in at least some parts  
8 of the community.

9 I guess my question for you is to do  
10 specifically with your recommendations on royalty  
11 revenues. And you suggested that the -- the royalty rate  
12 should essentially be adjusted to reflect the  
13 infrastructure needs of Fort McMurray; is that correct?

14 MS. FRANCIS JEAN: I believe that there  
15 should be a component in the royalty rate that would look  
16 after the infrastructure needs here. Yes, I do. The --

17 MS. JUDITH DWARKIN: So you would --

18 MS. FRANCIS JEAN: -- money comes from  
19 here, it should -- something should be put back.

20 MS. JUDITH DWARKIN: So it would --  
21 basically you would flag a certain share of the royalties  
22 generated within this region for the region?

23 MS. FRANCIS JEAN: For infrastructure.

24 MS. JUDITH DWARKIN: Okay.

25 MS. FRANCIS JEAN: Yes.

1 MS. JUDITH DWARKIN: Thank you.

2 THE CHAIRPERSON: Sam...?

3 MR. SAM SPANGLET: Good morning.

4 MS. FRANCIS JEAN: Hi.

5 MR. SAM SPANGLET: I do sympathize with  
6 what you're saying. I -- I -- as a matter of fact I  
7 agree with you.

8 MS. FRANCIS JEAN: Thank you.

9 MR. SAM SPANGLET: I think that the  
10 Government and industry that was there before, failed  
11 you. And -- but the question I got is we have been here  
12 two (2) days, this is the third day, and I think you are  
13 the first or second citizen that -- that came up and made  
14 his -- her points known and a view known and my question:

15 Do you have an idea why didn't -- haven't  
16 we seen more citizens come up and talk about it and make  
17 their view known?

18 MS. FRANCIS JEAN: Probably they're all  
19 at work.

20 MR. SAM SPANGLET: Mm-hm. So you think  
21 this is -- the reason is because they're working?

22 MS. FRANCIS JEAN: But I know a lot of  
23 people are --

24 MR. SAM SPANGLET: Most of them are  
25 working different shifts, are off three (3) days.

1 MS. FRANCIS JEAN: Well, people often  
2 hesitate to...

3

4 (BRIEF PAUSE)

5

6 MS. FRANCIS JEAN: I think that people do  
7 feel this way, but most people are afraid to come in  
8 front of a panel. They're nervous about it. They don't  
9 want to.

10 I wrote an editorial in a magazine two (2)  
11 years ago and I read it again last night because it said  
12 basically the same things that I've said now. I've been  
13 -- after that editorial went out, I was stopped in  
14 grocery stores and all over Fort McMurray with people  
15 saying that is right, it's time somebody said the truth.  
16 But, I mean, nothing happened and nothing does happen.

17 But people are working or else they're  
18 going -- you know, they're sleeping or going -- they  
19 work long hours here.

20 MR. SAM SPANGLER: Mm-hm. Good  
21 presentation. Thank you.

22 THE CHAIRPERSON: Andre...?

23 MR. ANDRE PLOURDE: Thank you for your  
24 presentation. Question is: In terms of infrastructure  
25 support, do you see this as a combination of more

1 flexibility for the municipality to charge on tax rates  
2 on machinery and equipment or business taxes or whatever  
3 you want, and royalties? Or is it largely a royalty  
4 issue?

5 MS. FRANCIS JEAN: For the  
6 infrastructure, I think that should be coming out of the  
7 royalties. The tax rate -- I firmly believe that the tax  
8 rate should be adjusted so that there's another  
9 classification for industry.

10 Right now, all rural businesses are  
11 charged the same rate. And industry -- I sat on a  
12 municipal tax committee a few years ago, and I'm not -- I  
13 don't remember exactly the rate, but my business  
14 buildings are assessed on 100 percent of the value. The  
15 tax -- the mill rate for industry is not set at 100  
16 percent. I believe it's set at something like 25  
17 percent.

18 So it is not a fair -- there should be a  
19 different tax rate for industry and then the municipality  
20 could tax them fairly to look after our present day  
21 needs, not necessarily infrastructure, because taxes are  
22 an operating thing, not a...

23 MR. ANDRE PLOURDE: Thank you.

24 THE CHAIRPERSON: Evan...?

25 MR. EVAN CHRAPKO: Thanks for your

1 presentation. Focussing on what we can do in terms of  
2 royalties would suggest that some of your suggestions,  
3 such as releasing more of the land, wouldn't fall to our  
4 mandate.

5 MS. FRANCIS JEAN: No.

6 MR. EVAN CHRAPKO: But is that something  
7 that you would -- you see a tie to the royalty rates  
8 somehow? Or is that just a different government  
9 department?

10 MS. FRANCIS JEAN: I'm sure that's a  
11 different government department. Maybe it could be a  
12 recommendation, but we definitely need land released and  
13 it should have been done long ago.

14 They know -- well, for instance, take the  
15 CNRL Plant. Four (4) years ago they started to build  
16 that plant. They knew it was going to go on-stream this  
17 year or next year. The government knew that. They knew  
18 we would need housing. They knew we would need roads.  
19 Nothing was done.

20 The plant has been built. So what does  
21 that say? Industry can do it and government can't? Or  
22 they didn't plan for it and they didn't do it? We heard  
23 last year that Highway 63 was going to be twinned and  
24 that sort of satisfied everybody. Drive down there today  
25 and you won't see any work being done on it.

1 MR. EVAN CHRAPKO: As someone who's a  
2 resident of, you said, forty (40) years in McMurray,  
3 wouldn't the -- a big release of land affect you  
4 negatively in terms of property values?

5 MS. FRANCIS JEAN: You know, if it meant  
6 that people, ordinary people, could buy a lot -- even a  
7 lot with unpaved roads, just with sewer and water -- they  
8 would be so happy to be able to put a trailer on it or to  
9 be able to build a house. And this should be happening.

10 Look at all the land around Fort McMurray.  
11 I mean we have acres and acres and, so, if it did reduce  
12 the -- the value of some peoples' houses, they're  
13 escalated now anyway.

14 MR. EVAN CHRAPKO: I think some of your -  
15 - your peers are probably arguing the other way.

16 MS. FRANCIS JEAN: They may be. But, you  
17 know, I've lived here a long time and I care about the  
18 ordinary people of this community. We've done extremely  
19 well, Fort McMurray has been good to our family, but I  
20 see a lot of suffering by ordinary people.

21 MR. EVAN CHRAPKO: Thank you.

22 THE CHAIRPERSON: Ken...?

23 MR. KEN MCKENZIE: Well, first of all,  
24 thank you very much for your very passionate and eloquent  
25 presentation. I appreciate it.

1                   And I just want to talk to you a little  
2 bit about the mechanisms we can use, possible mechanisms  
3 we can use to address some of these problems.

4                   So, one of the first things you talked  
5 about was different -- the ability to delink the  
6 machinery and equipment tax, for example, from -- from  
7 non-residential and have different mill rates. That's  
8 something that can only be granted by the Provincial  
9 Government; as you know, right now they're -- they're  
10 linked.

11                   The other mechanism is some sort of a  
12 allocation of royalty revenue to -- to local  
13 infrastructure needs.

14                   And the third is basically regulation.  
15 Telling the -- the oil companies that they have to  
16 provide infrastructure, housing, et cetera, on their own.

17                   Out of those sort of three (3) choices, in  
18 terms of mechanisms to get you where you want to go, do  
19 you have any preference or do you think -- see it being a  
20 combination of those three (3) or...?

21                   MS. FRANCIS JEAN:   Well, I don't think  
22 the oil companies should provide the infrastructure.

23                   MR. KEN MCKENZIE:   Okay.

24                   MS. FRANCIS JEAN:   That's the job of the  
25 Provincial Government.

1 MR. KEN MCKENZIE: Right.

2 MS. FRANCIS JEAN: But you should have  
3 enough tax revenue in order to do that.

4 MR. KEN MCKENZIE: Okay.

5 MS. FRANCIS JEAN: And another thing that  
6 I didn't include in my report, but I'm sure you've  
7 studied the royalties that other countries take --

8 MR. KEN MCKENZIE: Yeah.

9 MS. FRANCIS JEAN: -- from oil. I mean,  
10 ours is pitifully low.

11 MR. KEN MCKENZIE: Mm-hm.

12 MS. FRANCIS JEAN: -- compared to the  
13 other countries. And this oil belongs to the people of  
14 Alberta, and I have no problem with oil companies making  
15 a profit and a good profit, but, you know, we need  
16 something back out of that too. And when the people of  
17 the area are suffering because of the profits that the  
18 oil companies are making, it's just simply not fair.

19 MR. KEN MCKENZIE: Mm-hm. Mm-hm. Great.  
20 Thank you very much.

21 THE CHAIRPERSON: Ms. Jean, I had the  
22 opportunity to speak to your local newspaper on Monday  
23 and we talked about hearing from citizens and Albertans  
24 from Fort McMurray and I had been quoted as being quite  
25 concerned, and I'm very grateful that you showed up today

1 because these are the kind of testimonies and submissions  
2 that we really look forward to, to make sure we have a  
3 balanced diagnosis of where we want to go. So I  
4 appreciate that and your forthcoming.

5 In the early part of your presentation,  
6 you talked about the old days when the companies were  
7 responsible and pro-active about helping the employees  
8 come to the region, so that you almost described a  
9 company town. And then you described how that sort of  
10 dissolved over time and now it's Fort McMurray, no longer  
11 the company town for Suncor and Syncrude.

12 Do you know what time period that actually  
13 was very evident?

14 MS. FRANCIS JEAN: I do, because we ran  
15 the newspaper at that time. But, first of all, Fort  
16 McMurray always was -- you probably don't realize it, but  
17 we were the first white established community in all of  
18 Alberta.

19 THE CHAIRPERSON: Mm-hm.

20 MS. FRANCIS JEAN: Anyway, when the boom  
21 came, certainly the locals were sort of swallowed up by  
22 the boom. But the oil companies did provide  
23 subdivisions, but not only they, they Province built the  
24 largest trailer park in Canada at that time. This was in  
25 -- just before Syncrude, probably in '73.

1 THE CHAIRPERSON: Mm-hm.

2 MS. FRANCIS JEAN: They build a  
3 subdivision and sold lots to people so they could build  
4 their own homes. Built two (2) subdivisions actually.  
5 And this was done on government land, of course, and the  
6 people bought the homes. And those were for the ordinary  
7 people, not the people who worked at the plants.

8 But the plant people had the opportunity -  
9 - young people in Canada have -- had an opportunity then  
10 that has probably never been done before and probably not  
11 since -- they could come here with no money, have a good  
12 paying job and buy a house with nothing down. And as  
13 long as they didn't leave within a couple of years, you  
14 know, that -- that house was theirs.

15 And it gave young people a wonderful  
16 opportunity. And today young people have no opportunity  
17 at all and it's very, very sad. And we're not attracting  
18 people to come to Fort McMurray.

19 Another thing that this boom has done, it  
20 has taken most of our volunteers out of town. The people  
21 that came thirty (30) and forty (40) years ago and  
22 established their homes here and loved Fort McMurray and  
23 did the volunteering, have now left. And you can't blame  
24 them because they've made three hundred (\$300,000) to  
25 four hundred thousand dollars (\$400,000) on their home,

1 so they have moved south and have been able to use that  
2 money for their retirement.

3 So we have lost a lot of good people that  
4 way.

5 THE CHAIRPERSON: Mm-hm. Okay. Well,  
6 that's all the questions we have for you this morning.

7 MS. FRANCIS JEAN: Great.

8

9 (BRIEF PAUSE)

10

11 THE CHAIRPERSON: Thank you very much for  
12 your presentation.

13 MS. FRANCIS JEAN: Well, thank you for  
14 listening.

15

16 (BRIEF PAUSE)

17

18 THE CHAIRPERSON: Thank you, ma'am.

19 Ladies and gentlemen, that concludes our  
20 presentations for the first part of the morning. We just  
21 learned that we have another presenter scheduled for  
22 11:30 this morning. So the panel is going to conclude  
23 for now and go into deliberations and will be back at  
24 11:30 to hear our next presenter.

25 So thank you for your attendance for this

1 morning's session.

2

3 --- Upon recessing at 9:26 a.m.

4 --- Upon resuming at 11:33 a.m.

5

6 THE CHAIRPERSON: Welcome back, ladies  
7 and gentlemen. We're reconvening with an 11:30  
8 presentation. Again, thank you for your interest in the  
9 tax and royalty regime for Alberta. Your input is a very  
10 important part of our work, and we appreciate your time  
11 and effort.

12 The panel here this morning is, on my far  
13 right, Ken McKenzie, Evan Chrapko, Andre Plourde, Sam  
14 Spanglet, I'm Bill Hunter and to my left is Judith  
15 Dwarkin.

16 Just a couple of housekeeping  
17 opportunities.

18 1. Please shut off your cell phones and  
19 Blackberries.

20 2. Remember that we have exit doors at  
21 the back of the theatre, behind you, and then two (2)  
22 doors behind the panel on the stage if there's an  
23 emergency. Please familiarize yourself with the closest  
24 door.

25 Everything we're doing this morning is

1 being transcribed; that allows us to make sure that all  
2 Albertans can share in the exchange through our website,  
3 as well as capturing the details of the exchange in the  
4 question period.

5                   If there's any media present, I'd be glad  
6 to speak to them after the opportunity of presentations,  
7 but in the interim, please respect the space of the  
8 presenters and the panel during the proceedings.

9                   And, again, on behalf of the panel and  
10 Albertans, thank you for your interest and your time.

11                   The panel now has an opportunity to hear  
12 from Mr. Pratt, an Albertan from Fort McMurray, if you're  
13 here sir.

14                   MR. JAMES PRATT: Thank you.

15                   THE CHAIRPERSON: One thing I should have  
16 shared with you, Mr. Pratt, is there's a young man here  
17 in the front row that has a series of coloured cards that  
18 help you on time management. You're being allotted five  
19 (5) minutes.

20                   MR. JAMES PRATT: Oh, five (5) minutes,  
21 okay.

22                   THE CHAIRPERSON: And then at the of the  
23 five (5) minutes, if you will, we'd like to ask you some  
24 questions of clarification.

25                   MR. JAMES PRATT: Certainly.

1 THE CHAIRPERSON: So, we're all yours.

2 MR. JAMES PRATT: That means I got to be  
3 real fast, eh?

4 THE CHAIRPERSON: Mm-hm, yes.

5 MR. JAMES PRATT: I noticed they  
6 introduced the beauty last, huh?

7 THE CHAIRPERSON: Best for last.

8 MS. JUDITH DWARKIN: I have no questions  
9 for this man.

10 THE CHAIRPERSON: When you're ready, sir.

11

12 PRESENTATION BY MR. JAMES PRATT:

13 MR. JAMES PRATT: I'm ready. Okay, I  
14 thought I'd just let you know a little bit about myself.  
15 I've been in Fort McMurray for thirty (30) years. I had  
16 a little bit more information that I was going to share  
17 about you (sic), but I realized -- when I realized that  
18 some of this is a little bit personal and all going to be  
19 published maybe I won't let you in on all of it.

20 But I am a father of seven (7) children, a  
21 grandfather of seven (7) and two -- two-thirds (2/3s)  
22 children, so you can understand that I have a little bit  
23 of an investment in the future. My wife has been a full-  
24 time mother at home. She's got a full-time job taking  
25 care of me and then she's -- in her spare time she's

1 taking care of the kids.

2 I moved to Fort McMurray thirty (30) years  
3 ago in 1977. I am a fully-qualified tradesman with one  
4 (1) of the oil companies here and I am at the top rate.  
5 I work a shift and so as -- as a tradesman with a shift I  
6 could work eleven (11) or twelve (12) shifts of overtime  
7 this year and I would still qualify for buying a house  
8 under the Wood Buffalo Housing Development Corporation  
9 Guidelines. So that gives you a little bit of an idea  
10 where things are at with respect to what my income is.

11 I have a daughter that used to live in  
12 Fort McMurray here. Her -- her husband was a  
13 schoolteacher. Last year they left because they realized  
14 they did not have a hope of ever, ever owning a home in  
15 Fort McMurray. They moved to southern Alberta, they own  
16 a home. They bought a home less than six (6) months  
17 after moving to southern Alberta.

18 I realize that real estate all over the  
19 province has risen dramatically and so -- and I hope that  
20 you'll forgive me if I'm a little bit disjointed here in  
21 some of what I've said, because last night I read the  
22 newspaper article and I thought about it all night long  
23 and decided that I would like to make a presentation, so  
24 it's -- everything's kind of a little bit disjointed  
25 here. I quickly scribbled down some thoughts this

1 morning.

2 THE CHAIRPERSON: That's fine.

3 MR. JAMES PRATT: So please forgive me.

4 As you can tell by the colour and lack of hair that I  
5 have -- and I share that with somebody here -- I will  
6 soon be a senior on a fixed income with a pension from --  
7 from my company and what little bit I've managed to put  
8 aside as well for RRSPs for myself.

9 My interest is -- I have some interest  
10 also in those who are low income earners because I have a  
11 son who wishes to become a process operator or a power  
12 engineer. He will be getting married in a week and he  
13 wishes to have children right away and he wants his wife  
14 to stay at home and be a full-time mother and look after  
15 their children.

16 One (1) of the things that I've noticed  
17 over the years in Fort McMurray here is that as the oil  
18 prices go up the activity increases; the oil prices go  
19 down, activity decreases. As the activity increases  
20 there are greater pressures on infrastructure, housing,  
21 and municipal services.

22 So one (1) of the things that I guess --  
23 the -- the major thrust of what I have thought is that  
24 if there was -- if the realty -- if the royalties had a  
25 sliding scale so that when the oil prices were low the

1 royalty percentage was at a lower percentage. As the  
2 royal -- as the oil price is high, then the royalties  
3 should be at a higher percentage.

4 I did a little bit of a calculation this  
5 morning. If production costs are twenty (20) bucks a  
6 barrel and oil sells at sixty-five (65) bucks a barrel  
7 and the royalty is at a 25 percent rate -- and I haven't  
8 the foggiest idea what the royalty is at -- that means  
9 the total cost at thirty-six twenty-five (36.25) a barrel  
10 and the profits are 179 percent as opposed to -- my  
11 profits aren't anywhere near that.

12 About a year or two (2) ago, one (1) of  
13 the fellows that I worked with brought in a list of  
14 properties that were available; one (1) particular  
15 development had a -- developer had available for sale.  
16 One (1) lot was listed at two hundred thousand dollars  
17 (\$200,000). Suncor made an announcement. A week later  
18 he brought that same list of properties that were for  
19 sale and one (1) lot had gone from two hundred thousand  
20 (200,000) to three hundred thousand dollars (\$300,000)  
21 just in one (1) week.

22 That makes it a little bit difficult for  
23 people that are on a fixed income to have an opportunity  
24 to live.

25 I've got one (1) minute left, have I?

1 Okay, so I'd better put up and shut up, huh?

2                   So my thought was that the extra money  
3 from the royalties could be used to fund apartment and  
4 housing projects at affordable rates, fund  
5 infrastructure, roads throughout Alberta -- I don't know  
6 if you folks flew up here but I drive all over Alberta,  
7 but the roads are in deplorable shape. They could fund  
8 increased maintenance on the roads and take care of them.  
9 We need low income work force. If their income goes up  
10 sharply, then our costs go up sharply and that  
11 drastically affects the cost of living.

12                   So I'm appealing to your hearts; what is  
13 best for Albertans -- all Albertans: the rich, the poor,  
14 the disadvantaged, and the retired. The bottom line is  
15 somewhere in the mix the royalties have to reflect the  
16 large investment of the oil companies but they also have  
17 to meet the needs of average Albertans.

18                   I appreciate you taking this time to  
19 listen to what I've had to say and if people have  
20 questions I'd be delighted to answer them.

21                   THE CHAIRPERSON: Thank you, Mr. Pratt,  
22 we really appreciate that.

23                   Andre...?

24

25 QUESTIONS BY BOARD:

1                   MR. ANDRE PLOURDE:   Thank you very much.  
2   You mentioned at some stage in your presentation the idea  
3   of a sliding scale royalty.  By this you -- should I take  
4   it that you mean that the rate of the royalty would vary  
5   according to where the price is or did you have something  
6   else in mind?

7                   MR. JAMES PRATT:   No, vary according to  
8   the price and what is the average cost of production,  
9   because I do realize that companies are in business to  
10  make money.  I work to make money.  The bottom -- the  
11  bottom line is I want some money in my fist by the end of  
12  the day.

13                   An oil company wants some money in their  
14  fists at the end of the day.  Should they make -- be  
15  making 179 percent?  That's a debatable thing.  The oil  
16  companies say, Yes.  The average Joe says, Well, I should  
17  have part of that.

18                   MR. ANDRE PLOURDE:   Okay, great.  Thank  
19  you.

20                   MR. JAMES PRATT:   Okay.

21                   THE CHAIRPERSON:   Ken...?

22                   MR. KEN MCKENZIE:   Yeah.  Thanks very  
23  much for your -- for your thoughts.  The -- you talked  
24  also about the need for funding local housing  
25  initiatives, municipal services are under a great deal of

1 pressure, roads, maintenance, et cetera. Was the idea  
2 that you have in mind -- and I understand that there's  
3 lots of different permutations on things but is one (1)  
4 thing that you would -- you would be thinking about would  
5 be some sort of a dedicated amount of the -- of the  
6 royalties would be earmarked for this purpose? Is that  
7 the sort of thing you had in mind?

8 MR. JAMES PRATT: Yeah, the sort of thing  
9 that I had in mind is -- the sort of thing that I had in  
10 mind as far as housing is concerned, really, is that as  
11 the oil prices go up, activity goes up, there becomes  
12 hotspots, and then there should be some money funnelled  
13 to those hotspots in order to help keep the rental  
14 properties at a -- at a reasonable rate.

15 For -- and if the Government does not want  
16 to own that property, then they could turn that over to  
17 the oil company. Here as a part of your royalty is a  
18 property that you're going to own but must remain as a  
19 rental property so --

20 MR. KEN MCKENZIE: Okay.

21 MR. JAMES PRATT: -- that we can keep  
22 rents in check.

23 MR. KEN MCKENZIE: Okay. Good. Thank  
24 you very much.

25 THE CHAIRPERSON: Judith...?

1 MS. JUDITH DWARKIN: Thank you. Good  
2 morning. Congratulations on the marriage of your son  
3 number, whatever he is.

4 MR. JAMES PRATT: Number six (6).

5 MS. JUDITH DWARKIN: Number six (6). Do  
6 you think -- is it the issue that there just aren't  
7 enough royalties to go around or rather the ones that are  
8 being collected aren't being dispersed to the right  
9 places given the hotspots that you mentioned?

10 MR. JAMES PRATT: That's an interesting  
11 question. I had -- I can't say as I've really studied  
12 it. I think it would involve some study. However,  
13 having said that -- I had a thought slip into my mind  
14 here and then it slipped out again.

15 MS. JUDITH DWARKIN: Right.

16 MR. JAMES PRATT: Just bear with me a  
17 second while I try and gather it.

18 Having said that, I hadn't studied that,  
19 the Alberta Government many years ago decided they wanted  
20 to get rid of our debt and I congratulate them for that.  
21 Part of the effect of get rid -- getting rid of that debt  
22 has been ignoring some of the infrastructure. Highway 2  
23 between Edmonton and Calgary used to be a very nice  
24 highway. I was on it the other day and felt like I was  
25 going to beat my car to pieces. So even Highway 2 which

1 is normally well maintained has taken a beating because  
2 of it.

3 So it could be displacement of some of the  
4 royalties that they have but also I think it would take a  
5 lot of effort on the Government's part if they increased  
6 the royalties or had a sliding scale of royalties to say,  
7 Okay, we're not going to monkey with these extra  
8 royalties that we got, we're going to use them for  
9 special projects --

10 MS. JUDITH DWARKIN: Mm-hm.

11 MR. JAMES PRATT: -- to take care of  
12 things that we have ignored in the past --

13 MS. JUDITH DWARKIN: Okay.

14 MR. JAMES PRATT: -- to take care of hot  
15 spots, so that we don't have -- so that we can meet the  
16 needs of all Albertans and not beat their equipment to  
17 pieces.

18 MS. JUDITH DWARKIN: Thank you.

19 THE CHAIRPERSON: Sam...?

20 MR. SAM SPANGLET: You have a beautiful  
21 haircut.

22 MR. JAMES PRATT: Thank you. You too.

23 MR. SAM SPANGLET: Good to see you. What  
24 -- what I wanted to say is that since you're a resident  
25 of Fort McMurray, I'm sure that you're very concerned

1 about the environment and --

2 MR. JAMES PRATT: Definitely.

3 MR. SAM SPANGLET: -- and do you -- do  
4 you see any way -- or do you believe that somehow it  
5 should be reflected in royalties; environmental  
6 performance? Let's say, you perform better, you play --  
7 you pay less royalties; you perform bad, more royalties.  
8 Do you think --

9 MR. JAMES PRATT: I think --

10 MR. SAM SPANGLET: -- that we can --  
11 something's got to be a -- through a certain relation or  
12 funds on the side to reclaim the big holes in the ground  
13 and that stuff?

14 MR. JAMES PRATT: I like that idea. I  
15 think that's a -- a good idea. There's -- there's many  
16 forms of looking at the environment. Since we've been  
17 here in Fort McMurray, my -- my wife has developed asthma  
18 and I'm sure that the atmosphere around here has not been  
19 beneficial to it. But, yeah, I like the idea that -- as  
20 you perform better than your royalty rate will be lower  
21 and gives some encouragement.

22 MR. SAM SPANGLET: So you -- you see a  
23 connection? You like to see a link?

24 MR. JAMES PRATT: Yes, I do like to see a  
25 link. And -- and this is just a little bit of an aside

1 link because this is a study that my -- my -- I have a  
2 son who just recently completed his masters degree in  
3 marriage and family therapy and one (1) of the studies  
4 that they did in there, was what happens to university  
5 students as they go through school.

6           The students that their parents pay for  
7 their university education, spend more money and make  
8 less after they graduate. The student who pay for their  
9 own education, make more money and spend less after they  
10 grad -- graduate.

11           So I think that there needs to be a reward  
12 out there for those who perform well and a lack of reward  
13 for those who do not perform well. Associated with this  
14 also, not -- not specifically the environmental aspect,  
15 but I'm not suggesting that if we increase the royalties  
16 that we make a giveaway because I don't think when you  
17 hand something out to somebody you are doing them a  
18 favour, as a matter of fact, you're doing them a severe  
19 disservice when you hand something to them.

20           They need to feel like they -- they have  
21 an investment in doing it and that goes as far as the  
22 environmental performance is concerned. They need to  
23 feel like they have an investment and if they see a  
24 reward for their investment then they want to perform  
25 better. And I agree that -- with that, I appreciate that

1 suggestion.

2 THE CHAIRPERSON: Evan...?

3 MR. EVAN CHRAPKO: Thank you for your  
4 presentation, thank you for bringing the next generation  
5 to see civics in action or a lesson in civics.

6 My question: You -- several times or  
7 several points you made it centred around the price of  
8 housing or land, and what suggestion would you make to  
9 alleviate or fix that?

10 Or what do you think is broken in terms of  
11 why specifically that can happen here, that doesn't seem  
12 to happen to the same extent in the rest of the Province,  
13 based on what we've heard?

14 MR. JAMES PRATT: Until a year ago, it  
15 wasn't -- the rest of the province wasn't quite so  
16 affected, but we've seen housing prices go up by at least  
17 50 percent in Edmonton.

18 But what has happened here is, I've  
19 watched land being released or not being released is  
20 probably a better term, here in Fort McMurray, for  
21 development. All we have is scrub bushland here, so I  
22 can't say that's it really valuable farming land that  
23 they could be releasing. I don't see that much value, so  
24 why the Province has been so slow in releasing land for  
25 development is beyond me. I'm sure that there are some

1 people that do know a little bit more and I've heard some  
2 excuses in the past, but they didn't amount up to a hill  
3 of beans to me.

4                   But one (1) of the things that I see is if  
5 housing is provided through the use of some of these  
6 royalties or through a tax on the development, so that  
7 there is housing projects at affordable rates provided,  
8 then it helps to keep the rental rates down. And my son  
9 just moved into a house or into an apartment, one (1)  
10 bedroom apartment, sixteen hundred dollars (\$1,600) a  
11 month, and he thought that was a pretty good rate  
12 compared to some of the other ones that he looked at.

13                   So if they're able to keep the -- the  
14 housing at more affordable rates that accomplishes,  
15 actually quite a number of things. One (1) is, if people  
16 can afford to get housing, the oil sands companies will  
17 have more -- not such a mobile workforce. For example, I  
18 was talking with a fellow who indicated that Syncrude had  
19 hired six (6) mechanics on a Wednesday to work their  
20 Aurora mine site, they came up to Fort McMurray to look  
21 at housing on Thursday, Monday they all handed in their  
22 resignations. I'm not living here at that kind of price.

23                   So it plays a big impact in the  
24 reliability of the operations here if you can't get  
25 manpower that is going to stick around; that impacts

1 their bottom line, it also impacts the royalty bottom  
2 line. But if the royalty rate or something is in force  
3 to be able to provide affordable housing then that will  
4 certainly help.

5                   And I want you to know that I'm saying  
6 this because looking from the point of view that I've  
7 owned a house for thirty (30) years in Fort McMurray and  
8 if the house price goes down because of what I've said, I  
9 pay a penalty.

10                   MR. EVAN CHRAPKO: But you're still  
11 saying it?

12                   MR. JAMES PRATT: Pardon me?

13                   MR. EVAN CHRAPKO: But you're still  
14 advocating for it?

15                   MR. JAMES PRATT: Oh, definitely.  
16 Because if housing -- like, I've got to look to the  
17 future. My granddaughter here, what's she going to live  
18 in? She lives in Fort -- in -- in Alaska, but what's she  
19 going -- what's my son who wants to become a process  
20 engineer -- process operator, what's he going to live in?  
21 How can he ever hope to own a house with housing the way  
22 it is?

23                   MR. EVAN CHRAPKO: Thank you.

24                   THE CHAIRPERSON: So there are no further  
25 questions. I just want to commend you on bringing the

1 next generation and also to your conviction to meet the  
2 challenge that was evidenced by the article in the local  
3 newspaper. So thank you very much for your concern and  
4 your input today and through your presentation. We  
5 really appreciate it.

6 MR. JAMES PRATT: Thank you very much. I  
7 appreciate this opportunity.

8 THE CHAIRPERSON: Ladies and gentlemen,  
9 that concludes our presentations for this morning. There  
10 is one (1) more call at 1:30 that we will check on and  
11 other than that, we are going to adjourn for the time  
12 being. Thank you very much.

13

14 --- Upon recessing at 11:54 a.m.

15 --- Upon resuming at 1:51 p.m.

16

17 THE CHAIRPERSON: Come on up, Mr.  
18 Kirschner. Welcome, sir.

19 MR. DAVE KIRSCHNER: Good afternoon.

20

21 (BRIEF PAUSE)

22

23 PRESENTATION BY MR. DAVE KRISCHNER:

24 MR. DAVE KIRSCHNER: I'd like to thank  
25 you for the opportunity to speak today and for coming to

1 Fort McMurray. I think the Premier Stelmach and Mr.  
2 Oberg in -- particularly had set out a good course to  
3 include the public in this royalty review committee.

4 My name is Dave Kirschner, I'm a longtime  
5 resident of Fort McMurray, since the late '70's, and had  
6 an active role in business, private sector, public sector  
7 throughout the last thirty (30) years. I am a father of  
8 six (6) children and very much enjoy this community, the  
9 province and the country that we live in and -- and then  
10 the -- the big picture, the world.

11 I think with the active growth that's  
12 happening in the region, it's inevitable that the costs  
13 will continue to rise and I think they'll continue to  
14 rise not only corporately, but in the private sector and  
15 the government sector and the -- to individuals.

16 And it's just inevitable that will happen  
17 because we are in such a heated economy, there's  
18 competition and there is a high need for service --  
19 supply and services. I'd like to say that I recognize  
20 largely the contribution that the major industry has done  
21 in our country and more particularly in our region.

22 I've worked in -- with Eldorado Nuclear in  
23 refinery towns like Port Hope, Ontario; worked with major  
24 oil and gas sectors in Norman Wells, Northwest  
25 Territories; throughout northern BC and here in Fort

1 McMurray, and they -- they certainly have the heart to  
2 build the community to support their industry. And  
3 they're leaders in that and I think as they continue to  
4 be leaders in that, will continue to succeed along with  
5 the people who live in the community who are working with  
6 them as well.

7                   But, then again, in saying that, in  
8 recognizing their contribution, again, I must say that I  
9 think the costs will continue to rise in order to meet  
10 the needs of the public.

11                   And again, I'll say that's the  
12 individual's costs as we see it in taxes, small business  
13 costs as we see it in raised, you know, staffing costs or  
14 facility costs, equipment costs, and it just goes with  
15 being in business. But long -- as long as at the end of  
16 the day that we're still making a good living and we're  
17 raising our families and as such, I think that's what  
18 there is for a common goal.

19                   And I think all the stakeholders have a  
20 common goal and it's by what means to we get to that  
21 common goal? I think we've -- we've probably got sev --  
22 we've got a larger portion that -- of a common goal than  
23 we do otherwise and I'd have to say that I think there's  
24 means other than money to attain that goal. And because  
25 -- and unless we focus on the means that can take us to

1 the common goal, we're not going to get there by throwing  
2 money at it.

3                   So as an offset to the royalty review or -  
4 - or looking at adding royalties to the -- to the publi -  
5 - or to the private sector, to the private corporation, I  
6 think we look -- we need to look, as they have in the  
7 past, as to how they can assist our governments and our  
8 communities to grow in the type of planning that they  
9 implement to build large scale operations in the matter  
10 of two (2) years and three (3) years and these projects  
11 such as they build.

12                   They do this on a regular basis on a short  
13 -- on a regular basis and I think the more that we can  
14 share with them in the sense of -- through government  
15 organizations and such, through our regional issues  
16 working group and such, with the governments, the more we  
17 can work towards those common grounds and health and  
18 education and such that we're going to meet -- reach  
19 those common goals together of being profitable  
20 businesses and, you know, good communities.

21

22                   (BRIEF PAUSE)

23

24                   MR. DAVE KIRSCHNER:    So I was saying that  
25 we've got means other than money in which to -- to reach

1 these goals and unless we reach those means we're not  
2 going to be able to attain those goals together. And it  
3 may sometimes be -- well, it's probably committee's such  
4 as this that may be able to look at slowing things down  
5 to the degree to get the absolutes in place that we need  
6 to attain the goal of business, but also attain the goal  
7 of having sound community to support the business.

8 I watched the Alberta Forest Service in  
9 action on a regular basis and they have means in which to  
10 pick up a thousand (1,000) men in the province and move  
11 them to fight a fire -- fire that's going to impede on a  
12 local oil sands plant and they have helicopters and  
13 coordinators to do that sort of planning on short notice.  
14 And I think with putting our heads together as industry -  
15 - private individuals and public sector as well, that we  
16 can do the same.

17 And I like the idea that this report is  
18 coming out in August, it's not a long -- it's not a long,  
19 drawn out process. We may need to be -- look at taking  
20 baby steps in order to meet our goals, but they can't be  
21 a long, drawn out process, so we've got to keep inching  
22 forward together.

23 THE CHAIRPERSON: Mr. Kirschner, you have  
24 got about thirty (30) second.

25 MR. DAVE KIRSCHNER: Thirty (30) seconds?

1 Okay, very good.

2 I think it's a global reality that things  
3 are coming to Canada with the industry in China and  
4 throughout the world and with the need for oil. I think  
5 the industry is coming to Canada, it's coming to Fort  
6 McMurray and the sooner we take that step back and start  
7 to establish some of these footings on which we can build  
8 the -- build this, the better it will be.

9 I think we're capable. We've got -- if we  
10 get the right people in the right -- in the same room at  
11 the right time, that if we expe -- expedite this process,  
12 I think we can accomplish it together. Thank you.

13 THE CHAIRPERSON: Thank you, sir. You  
14 will allow a few questions?

15 MR. DAVE KIRSCHNER: Sure.

16 THE CHAIRPERSON: Ken...?  
17

18 QUESTIONS BY THE BOARD:

19 MR. KEN MCKENZIE: Yeah, you were talking  
20 about how throwing money at something isn't necessarily  
21 the right answer. I'm a little unclear as to where you  
22 stand on the sort of whole royalty question.

23 I mean, do you think that -- that the  
24 status quo is adequate or that we should be looking to  
25 raise royalties or, you know, what are your thoughts on

1 that?

2 MR. DAVE KIRSCHNER: Well, Ken, I -- I  
3 think we -- we're going to see royalties need to be  
4 raised the same as we're going to see -- need to see  
5 wages need to be raised, the same as we're going to need  
6 rent to be raised in the climate that we're in. Because  
7 unless we solve some of the problems that our money are  
8 meant to solve through better ideas and better  
9 utilization or whatever, we're going to have to continue  
10 to spend money and it's going to have to come from --  
11 from all of us --

12 MR. KEN MCKENZIE: Okay.

13 MR. DAVE KIRSCHNER: -- in whatever walk  
14 of life we're in.

15 MR. KEN MCKENZIE: Great. Thank you.

16 THE CHAIRPERSON: Judith...?

17 MS. JUDITH DWARKIN: Did I understand  
18 correct -- good afternoon --

19 MR. DAVE KIRSCHNER: Hello.

20 MS. JUDITH DWARKIN: -- that you're --  
21 you hope to see a more thoughtful and methodical approach  
22 to, sort of, building the communities that, sort of, will  
23 exist in parallel to the -- the development of the oil  
24 and gas sector? So -- and you're talking about the --  
25 the corporate sector, not exactly taking the lead, but

1 lending skills to that, sort of, planning exercise more  
2 directly than they are right now?

3 MR. DAVE KIRSCHNER: I think that could  
4 be very beneficial to both sides. Just again, we've --  
5 we've known that this was coming for ten (10) years and  
6 as a private businessman, I built my business to be ready  
7 and many of them have, but just with changes of --  
8 changes of government, amount of legislation and such,  
9 and the -- the paper load that goes with running a  
10 government, it doesn't always give us the opportunity to  
11 deliver on the -- what the health --

12 MS. JUDITH DWARKIN: Mm-hm.

13 MR. DAVE KIRSCHNER: --you know, health  
14 care deliver is or -- or the infrastructure deliver is;  
15 it takes a little bit longer. I know that it took us  
16 seven (7) months to get some -- our last piece of land  
17 released up here. So -- deliver --

18 MS. JUDITH DWARKIN: Hmm.

19 MR. DAVE KIRSCHNER: -- it's about  
20 delivery and -- and the private sector deliver, in a  
21 sense.

22 MS. JUDITH DWARKIN: Okay. Thank you.

23 THE CHAIRPERSON: Evan...?

24 Sam...?

25 MR. SAM SPANGLER: You talked about,

1 we'll have to slow down. You were talking about a slow  
2 down to catch up; how -- how do you do that? How can the  
3 -- how can the royalty, how can we, impact it through the  
4 royalty process?

5 MR. DAVE KIRSCHNER: I'm trying to give  
6 an example here, Sam. We can't -- we can't slow it down  
7 to a large degree because every -- it's a private  
8 enterprise society and private enterprise spawns jobs and  
9 quality of life for all of us. But I think we need to  
10 look at some of the absolutes that we incorporate into  
11 business; incorporate them into our private life too.

12 Let's look at safety for instance. You  
13 don't put people into the -- into the work force or onto  
14 the scaffold until they have a hard hat; there's enough  
15 hard hats for every man, woman and child that works on  
16 the scaffold. Yet in our -- in our community, for  
17 instance, and probably Edmonton as well, we're shy  
18 teachers; we're shy doctors, we're a thousand (1,000)  
19 doctors deficit -- a deficit of a thousand (1,000)  
20 doctors in the province right now; police force; health  
21 care individuals. Is that not an absolute in safety as  
22 well?

23 And if we can look to some of those  
24 similar absolutes, in short-term and in small -- in small  
25 steps and that's what I'm looking -- and I think you --

1 you can come out of a meeting such as you've all been in  
2 from time to time and come out with some sort of a one  
3 (1), two (2), little step solution that moves you towards  
4 your longer term goal. And I'm talking one (1), three  
5 (3), six (6) months.

6 But I think we need the right people in  
7 the right room. If it's a health issue, we need the  
8 health Minister, the physician's association, et cetera,  
9 to do those kind of things and I things and I think you  
10 can get some solution.

11 THE CHAIRPERSON: Andre...?

12 MR. ANDRE PLOURDE: Thank you. Thanks  
13 for your presentation.

14 MR. DAVE KIRSCHNER: Thank you.

15 MR. ANDRE PLOURDE: Just to pick up on  
16 this point: Do you see this largely as a royalty issue  
17 or a physical system issue or maybe it's a regulatory  
18 issue or it's other type of mechanism?

19 MR. DAVE KIRSCHNER: It would probably  
20 cross over from one (1) mechanism to the other because we  
21 have systems to -- it's like the -- the little mobile,  
22 when you move this butterfly, this one's going to move --

23 MR. ANDRE PLOURDE: Mm-hm.

24 MR. DAVE KIRSCHNER: -- so we're going to  
25 want to not move them so that they don't fall off the

1 string. But I think it is a royalty issue in the sense  
2 of my beginning point that we're going to continue to  
3 have to charge more if we can't accomplish with what we  
4 have, our goals.

5 MR. ANDRE PLOURDE: Okay. Thank you.

6 MR. DAVE KIRSCHNER: So it's going to --  
7 it's going to take -- it's a interdepartmental thing,  
8 it's a leadership thing --

9 THE CHAIRPERSON: Yeah.

10 MR. DAVE KIRSCHNER: -- and we do have  
11 leaders.

12 THE CHAIRPERSON: So just to paraphrase  
13 the last two (2), what I've is, is it's raise the  
14 royalties, but it's all hand on deck to find the  
15 mitigation solution to -- to get things to be?

16 MR. DAVE KIRSCHNER: If we need that  
17 money immediately to -- to address education and such,  
18 but maybe at the en -- I think Mr. Pratt mentioned it  
19 this morning, if the industry can come forward or -- or a  
20 citizen's group come forward and -- with a solution as to  
21 how to trigger that delivery, and maybe industry can,  
22 then we're not going to need the money.

23 THE CHAIRPERSON: Great. Thank you very  
24 much, Mr. Kirschner, I really appreciate you --

25 MR. DAVE KIRSCHNER: Thank you very much.

1 THE CHAIRPERSON: -- taking the incentive  
2 to come and speak to us and make sure that we are fully--

3 MR. DAVE KIRSCHNER: Yeah.

4 THE CHAIRPERSON: -- in the knowledge of  
5 the representation of the area.

6 MR. DAVE KIRSCHNER: Yeah. All the best  
7 with bringing this all together, okay.

8 THE CHAIRPERSON: Thanks again.

9

10 --- Upon adjourning at 2:03 p.m.

11

12

13

14 Certified Correct,

15

16

17

18

19 \_\_\_\_\_  
Sean Coleman

20

21

22

23

24

25