

ALBERTA ROYALTY REVIEW SUBMISSIONS - Summary #10 - Received June 12 to 19, 2007 (11)

Date Rec'd	First Name	Last Name	Organization	Comments	Links to PDF of Attached File(s)
6/12/2007	Nick	Underwood		The royalties are way too low. Please see brief attached word document	Royalty Review Secretariat.doc
6/12/2007	Douglas	Colville	Garneau Inc.	<p>After reading a number of articles with reagrd to the Alberta Royalty Review there seems to be two distinct views synonymous with two distinct groups of people. Those who are employed in the oil and gas industry and those who are not. Although this comment maybe dismissed simply as generalized rhetoric it does in fact lend itself to investigating how viewpoints are formulated. For example how does someone working outside the oil and gas sector gain the insight necessary to make an educated comment about oil and gas royalty payments. In retrospect you could say the same thing about some of the people who work in the oil patch! The simple answer could be media, what we hear and see certainly influences our level of understanding, communication and reasoning. Headlines in newspapers or lead story lines on radio and television expounding the money made by large oil and gas companies creates negative perceptions. Combine this newly formed insight with the feeling gained everytime we pay at the pump and the net result is not very complementary. We unfortunately are living in an age where every thing seems to be going up in price; housing, food, clothing, education, general cost of living etc. as well as service costs in the oil and gas industry. Over the last 6 years oil prices have risen about 2.3 times comparatively operational costs are up about 300 %. As you can see the increased cost of doing business in todays world plays no favourites a story of which has not been told at any great length in the media. Before I close off I think it is important to note that the rig count is at an all time low dating back to the 1980's and activity levels have been described as being on "full time idle". Unfortunately it conjures up memories of the NEP which should be the last thing any sane person would ever want to see happen again. As well with the higher canadian dollar, changes in the federal budget and the continued uncertainty in terms of environmental compliance, any changes to the royalty program will cause huge amounts of uncertainty in the energy sector. The last thing we need at the moment!</p>	

6/12/2007	Tim	McKay		<p>Alberta continues to enjoy a surplus each and every quarter, with the 2007 forecast estimated to be \$7 billion Alberta has the Heritage savings Trust Fund, which at the end of 2006 was \$15.4 billion Alberta has a strong economy with one of the lowest unemployment rates in Canada We have the highest personal income per capita in Canada Alberta is the only province with financial assets that exceed total liabilities We have the lowest tax rate We are the only province that has no retail sales tax We have the lowest gasoline tax rate on any province Alberta per capita spending on infrastructure is nearly four times the average of other provinces When you review all the positives that are presented by our government I wonder why we are reviewing oil & gas royalties. I believe this province must have the right formula and proof is in the Alberta success story. I am concerned that if the government raises the royalties, we will erode the oil & gas investment in Alberta, then our resource revenues will decline, and as a result, Alberta will increase it taxes on the backs of Albertans, destroying the "Alberta Advantage". This province is a success story, and we should recognize it and celebrate it, and keep the existing royalty system unchanged.</p>	
6/12/2007	Lisa	Howells	A concerned parent of a young Albertan	<p>It was planned that I make this presentation in Grande Prairie; however, it is here now for all to read. Enjoy the story and savour it's points so they may guide your vision for a healthy Alberta.</p>	<p>Royalties commission.wps</p>
6/15/2007	Frank	De Groot	self employed consultant	<p>IF I as an independent operator start a business I have to start paying taxes at the same rate as most others. Business plans are developed to ensure that I can maintain and operate the business according to my revenue and my expenses. For the businesses that rely on the minerals of our province they also can adjust to a more reasonable royalty percentage right from the start of thier exploration. It only seem fair to all albertans that the royalties for the minerals in our province be adequately taxed.</p>	

6/15/2007	Ernest	Bothi		<p>As an Albertan who has been self employed on both service and production sectors of the oil and gas industry, I am outraged that there are those individuals who believe that the petroleum industry should pay MORE royalties without understanding the costs involved for exploration, drilling, and development. Furthermore, the royalty rates should be lowered on low producing wells in order to justify future existence of these wells. I am very concerned that higher royalties will curb growth and reduce development in higher risk projects such as the tarsands region. We need the royalty structure to be fair, but not to become a burden to the point where oil companies curtail activities hence causing a decline in all levels of activity. Many of us have chosen to work in the oil & gas sector and risk our own capital to drill wells or purchase equipment and myself personally have seen many cycles of extremes, and especially now the timing of the issue of fairness comes during a period of uncertainty which could lead to serious downturn in the Alberta economy. The gain in royalty revenue may end up being offset by a reduction in activity of the oil & gas industry hence where are the benefits? In the unemployment lines? Let us not forget all the other forms of revenue that come into the coffers from the petroleum industry such as land sales, taxes on infrastructure, licencing fees, which every Albertan benefits from. Oil companies, as are all other companies, are entitled to a return to be set by the company, not the government or an uninformed public. When John or Jane Q. Public is willing to expend their own finances to explore and drill wells and incur costs and associated risks, then and only then are they qualified to make their remarks known, otherwise they should just sit back and enjoy living the province which has the best roads, education system, health care, and lowest provincial income taxes in Canada along with no provincial sales tax. This province has prospered largely due to the oil and gas. We are not asking for subsidies, just fairness so we can all benefit and prosper.</p>	
6/17/2007	Rob	Woronuk	GasEnergy Strategies Inc.	I have previously emailed my comments and attached a file but I attach it again. Rob Woronuk	Royalty Revue.doc

6/17/2007	Bill	Demers	None	<p>The following are my personal opinions only: I missed the Royalty meeting in Ft.McMurray and would like my views known. I can't believe that the panel consisted of mainly oil company personnel rather than average Albertans as well. It is no wonder they came up with a ridiculous figure that 56% of Albertans were pleased with the 1% roaylaty AND that some thought that it was too high! We gave them a tax break of only paying 1% royalty until the major projects were paid off. This was to encourage growth in the oil sands. These projects have been long paid off many times over even though they still are shown as owing on paper only. The shares in Suncor and Syncrude have enjoyed mega huge increases and the present shareholders STILL want more at the expense of average Albertans. Most 'average' Albertans don't have money to invest in the stock market and are struggling to make ends meet period. Average Albertans should have a much lower tax bracket as the the above average Albertans get way too many tax breaks in the form of tax decutions, RRSP breaks, write offs, etc. The old cliché of the 'rich get richer and the poor get poorer' comes to mind. There is no pity form ESSO, for example, as they continue to price gouge with lower priced oil production and much higher priced gasoline. Their profit margin keeps on getting greater and greater with no end in sight. Our Alberta Government has done nothing to stop it either for reasons unknown to me. Are their buy offs involved? It makes me wonder at times how the politicians side with the oil companies rather than with their constituents. What should the Royalty rate be? A flat 10%...regardless of whether projects are paid off or not. That amount would just end up being tacked on at the pumps, no doubt, but it would give Alberta a huge financial lift that ALL Albertans would enjoy in terms of tax breaks, medicare, services, improved infra structures, etc. It would not slow down oil sands growth as they will be where ever a dollar is to be made regardless. I don't go along with the thinking that an increased royalty rate would discourage oil sand growth. Once our oil is gone, it is gone forever....never to come back. Why are we giving it away for next to nothing. ESSO certainly don't give their product away and neither should we.</p>	
6/19/2007	David	Woods		Attached, please find my submission for the royalty review panel. Thank You.	Royalty submission.doc
6/19/2007	Steve	Nichols		<p>1. Infrastructure in Alberta should be financed by the Oil and Gas industry. The legacy left behind would be something useful to Albertans. 2. Albertans and the planet are on on the recieving end of more than just money (health impacts), the royalty regime should be about more than just money. Alberta should be a leader in Environmental protection: We should have the lowest emissions in the country (because we're the lead) and it should be part of the royalty structure.</p>	

6/19/2007	Matthew	Stewart	Shaw Pipe Protection Ltd.		SPPL Royalty Review 061907.pdf
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