

Alaska – Alberta Relations

Government of Alberta ■



PROFILE

Capital: Juneau

Population: 710,231 (2010)

Language: English

Government: Bicameral state government

Head of Government: Governor

Sean Parnell (R)

Currency: U.S. Dollar

\$1 CDN = 0.9830 USD,
(November 2011)

GSP: \$U.S. 45.6 billion (2010)

GSP Per Capita: \$U.S. 65,143 (2010 est.)

Key Industry Sectors: Oil & gas, tourism, commercial fishing, mining, forestry

Unemployment: 7.6% (September 2011)

Main Cities (Metropolitans):
(2010)

- Anchorage 291,826

- Fairbanks 97,484

- Juneau 31,300

DID YOU KNOW?

- The Alaska Permanent Fund is a trust fund similar to Alberta's Heritage Savings Trust Fund. It was established in 1976 to generate perpetual revenues for present and future generations of Alaskans.
- The Fund's value as of June 2011 exceeds \$U.S. 40.6 billion, providing an annual dividend to all citizens.
- Anchorage hosted the 2007 annual Pacific Northwest Economic Region (PNWER) meeting.

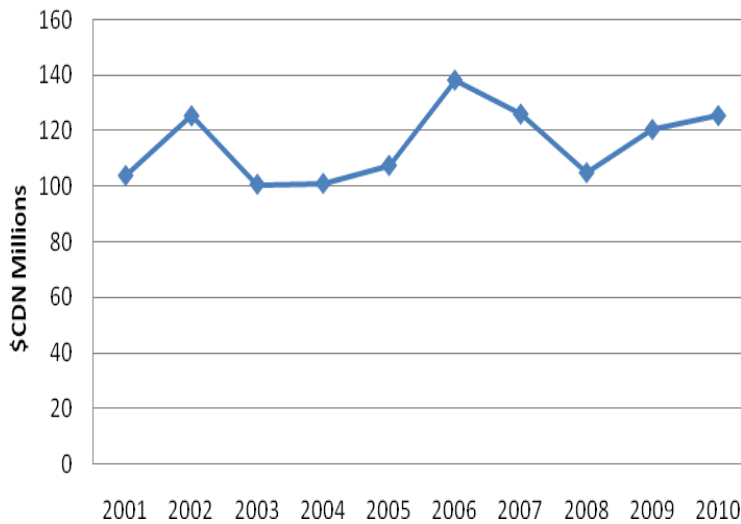
RELATIONSHIP OVERVIEW

- Alberta-Alaska relations were close in the 1970s and 1980s, based on common northern issues and similarities between Alberta's Heritage Fund and Alaska's Permanent Fund.
- Over the last few years, ties have been reinvigorated as Alaska seeks to develop its vast gas resources.
- In June 2002, Premier Klein & Governor Knowles signed a

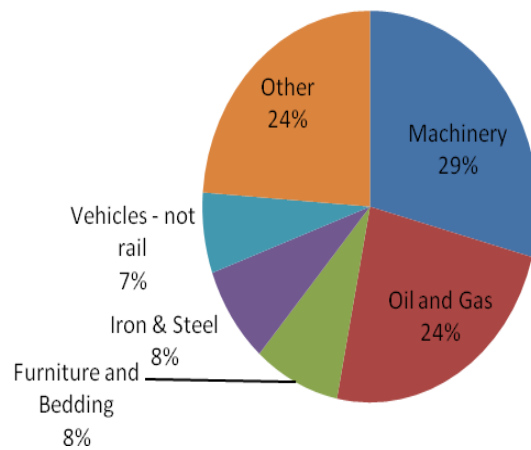
Memorandum of Understanding (MOU), agreeing to cooperate in such areas as energy, transportation, aboriginal issues, trade and investment.

- The MOU created an Alaska-Alberta Bilateral Council (AABC). The AABC working groups focus on five areas: energy; transportation; economic development and tourism; aboriginal issues; and human resources, education and training.
- Alaska hosted the 2006 AABC meeting in Juneau, March 23-24.
- *Tourism North* is a joint marketing campaign to promote tourism in partnership between Alberta and Alaska, along with British Columbia and the Yukon Territory.
- Canadian and Alaskan agencies are cooperating on the Wood Bison Recovery Project, reintroducing animals from Elk Island National Park in Alberta to the Alaska Wildlife Conservation Center.

Alberta's Domestic Exports to Alaska (2001-2010)



Alberta's Domestic Exports to Alaska (2006-2010 Average)



TRADE AND INVESTMENT

- Over the past five years, Alberta exports to Alaska have averaged \$122.94 million per annum.
- Alberta's merchandise exports to Alaska consist of machinery (mainly oil and gas equipment), oil, furniture and bedding.

ENERGY

- Alaska's largest industry is oil and gas.
- In 2009, Alaska's oil and gas royalty revenue provided 66.2% of the state's General Revenue Fund.
- With the exception of Federal offshore production, Alaska ranks 2nd in the U.S. in crude oil production and in crude oil reserves after Texas.
- Prudhoe Bay, located on Alaska's North Slope, has the highest producing oil field in the U.S. at approximately 400,000 barrels per day (2009 est.). The majority of this oil is shipped to refineries in Washington and California.
- Alaska has 7.7 trillion cubic feet (Tcf) of proven natural gas reserves, or 3.1% of total U.S. natural gas reserves (2008 est.).
- Estimates suggest Alaska's North Slope fields could contain 34.8 Tcf (2009 est.) of recoverable natural gas resources.
- Northern gas development has emerged as a priority (for both the U.S. Administration and Alaska government) to meet growing U.S. demand. Getting the northern gas to market is a key challenge.
- TransCanada and ExxonMobil are currently working to move ahead the

Alaska Pipeline Project to develop Alaska's North Slope natural gas resources. One of the options is to transport the natural gas from Alaska to Alberta and then on to North American natural gas markets.

- BP and ConocoPhillips are moving forward with the Denali – the Alaska Gas Pipeline that is 100% privately-funded by the two corporations without financial assistance from the state. The project will transport gas from Alaska's North Slope to Alberta through a 2,735 km long pipeline (and if required, a 2,414 km long pipeline from Alberta to Chicago) to deliver gas to the lower 48 states, Alaska and Canada.

NATURAL GAS

- Alaska has about 10.245 trillion cubic feet (Tcf) of proven natural gas reserves, or roughly 5% of total U.S. natural gas reserves (2006).
- However, estimates suggest Alaska's North Slope fields could contain 30-35 Tcf of stranded natural gas resources.
- Northern gas development has emerged as a priority for both the U.S. Administration and Alaska government, to meet growing U.S. demand. Getting the northern gas to market is a key challenge.
- Alaska recognizes that Alberta's well-developed pipeline infrastructure and status as an energy hub could be advantageous for transporting Alaska's gas to major markets in the lower 48 states.

Arctic National Wildlife Refuge (ANWR)

- ANWR located in the north-eastern corner of Alaska, is the largest wildlife refuge in the U.S., with approximately 19.3 million acres (roughly the size of South Carolina). ANWR shares a border with the Yukon Territory.
- The U.S. Federal Government currently prohibits oil and natural gas development in the ANWR. Before oil and gas development can precede, Congress and the President need to authorize leasing and development.
- Opening ANWR to oil and gas exploration and production remains a controversial issue.
- In December 2005, the U.S. Senate, in a close vote, blocked passage of a bill that would allow some oil and gas exploration in ANWR. Again, in May 2006, the House of Representatives passed a bill to once again open up ANWR for drilling paving the way for another potential Senate vote on the issue.
- It has been projected that if ANWR is opened to oil development, production from ANWR would reach 900,000 barrels per day by 2025.

TRANSPORTATION

- The CANAMEX initiative proposes a multi-lane super-highway from northern Alberta, through the Rocky Mountain U.S. states, down to Mexico City. Alaska may ultimately be the northern terminus of this highway.
- Alaska seeks Alberta's support for the possibility of connecting the state to the rest of the continent by rail.

FORESTRY

- Forestry is important to Alaska's economy, especially in the southeastern region.
- Recent years have been difficult for the forestry industry in Alaska. Pulp mill closures (i.e. Ketchikan Pulp Mill), and a drop in Pacific Rim demand, hurt the state's wood products sector.

FISHING

- Alaska's fishing and seafood industry is one of the state's largest private industry employers. In 2006, Alaska's seafood exports totaled over \$2 billion U.S., and accounted for half of the state's total exports.
- In the late 1990s, several factors, including decreases in international fish prices, hurt the seafood industry in Alaska. However, recent increases in price, driven mostly by increased demand in Southeast Asia, have helped to reinvigorate this important sector of Alaska's economy.
- Alaska is restoring its once-depleted salmon runs by employing a "conservation-first" fisheries management system.
- In 2007, the salmon harvest was over 212 million fish worth an estimated value of \$U.S. 374,372,000, an 8% increase from 2006.

EMERGING OPPORTUNITIES

- Forest products
- Energy products
- Industrial/agricultural machinery
- Metal products (basic, fabricated)
- Transportation equipment and tourism
- Chemicals and allied products

SHARED ORGANIZATIONS

- Alberta and Alaska share membership in a number of integral regional organizations including:
 - Council of State Governments-WEST (CSG – WEST)
 - The Northern Forum
 - Pacific NorthWest Economic Region (PNWER)

- Sectoral bodies such as the Energy Council and the Western Legislative Forestry Task Force.

- Alaska and Alberta are both members of the Northern Forum, an international organization comprised of 23 sub-national governments from Canada, China, Russia, Japan, and Scandinavia. The Northern Forum is headquartered in Anchorage.
- Alaska hosted the CSG-WEST 2008 annual meeting at which Alberta played a major role in a session titled, The North America Summit with legislators from US and Mexico to discuss energy and competitiveness issues.

RECENT VISITS

- December 2010: MLA Prins represented Alberta at the PNWER Arctic Caucus meeting in Barrow.
- November 2010: MLA McQueen represented Alberta at the Alaska Resource Development Council's annual conference in Anchorage.
- November 2010: Larry Persily, Federal Coordinator of Alaska Natural Gas Transportation Projects visited Alberta.
- September 2010: Energy Minister Liepert led a delegation of MLA's to the Alaska Oil and Gas Congress in Anchorage.
- January 2010: MLA Marz represented Alberta at the PNWER legislator visit to Juneau.
- January 2009: Energy Minister Knight traveled to Anchorage to promote Alberta energy at the state's 50th anniversary.
- January 2009: MLA Mitzel represented Alberta at the PNWER legislator visit to Juneau.
- July 2008: MLA's Webber, Lund, and Mitzel represented Alberta at the CSG-WEST meeting in Anchorage.
- May 2008: The Mid-Year Conference of the Interstate Oil and Gas Compact Commission (IOGCC) is chaired by the Honorable Sarah Palin, Governor of Alaska, in Calgary.
- January 2008: MLA Coutts represented Alberta at the PNWER legislator visit to Juneau.

- July 2007: Alberta sent a delegation to Anchorage for the annual PNWER summit.
- April 2007: Drue Pearce, Federal Coordinator of Alaska Natural Gas Transportation Projects visited Alberta.
- March 2006: Premier Klein's mission to Anchorage to meet with Governor Murkowski, BC and Yukon to discuss the Alaskan gas pipeline.
- March 2006: Alberta delegates traveled to Juneau for the 2006 Alaska-Alberta Bilateral Council meeting.
- January 2005: Municipal Affairs Minister Renner represented Alberta at the PNWER legislator visit to Juneau.
- September 2004: Officials from Alberta International and Intergovernmental Relations attended the CSG – WEST Legislative Conference in Anchorage.

DIPLOMATIC REPRESENTATION

- The US Consul General in Calgary is Laura Lochman.
- The Canadian Consulate responsible for Alaska is located in Seattle, Washington. Denis Stevens is the Consul General.
- Canada opened a consulate in Anchorage (a satellite of the Consulate General in Seattle) in August 2004. The Consul is Jennifer Loten.

