

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 Donald Trump (R)

First term (term expires January 2021)

Two consecutive term limit absolute.

Currency: U.S. Dollar (USD)

\$1 CAD = \$0.75 USD (June 2017)

Gross Domestic Product (GDP):

US\$18.6 trillion (2016)

GDP Per Capita: US\$57,553 (2016)

GDP Growth Rate: 1.6% (2016)

Inflation: 1.9% (May 2017)

Unemployment Rate: 4.3% (May 2017)

RELATIONSHIP OVERVIEW

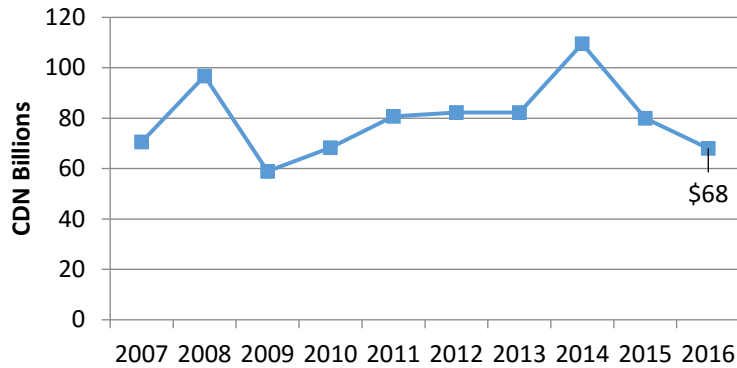
- The U.S. is by far Alberta's largest trading partner. Annual merchandise exports to the U.S. have averaged approximately \$88.8 billion a year over the past five years.
- Alberta has close historic ties with Western and Midwestern states, from where many early pioneers immigrated to southern Alberta 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

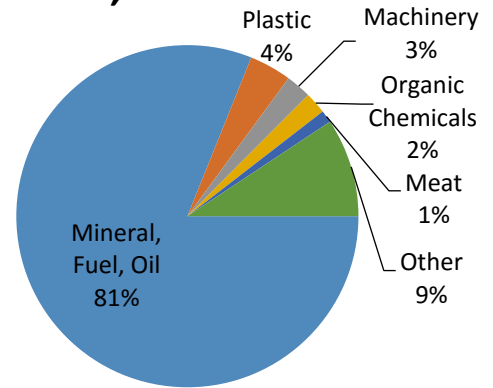
The Alberta government works as a partner with American states in a wide range of forums and organizations, including:

- Canadian/American Border Trade Alliance (Can/Am BTA)
- Council of State Governments National
- Council of State Governments Midwest (CSG Midwest)
- Council of State Governments West (CSG West)
- National Association of State Directors of Agriculture (NASDA)
- National Conference of State Legislatures (NCSL)
- 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., 2007-2016



Alberta's Exports to the U.S., 2012-2016



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.
- Imports from Canada comprise 43% of all U.S. oil imports (in 2015), considerably outpacing Saudi Arabia's 14%, Venezuela's 11%, and Mexico's 9%. In absolute terms, the U.S. imports 3.56 million barrels/day from Canada.
- 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 (excluding purebred), and hogs and accounts for almost 68% of Alberta's beef exports by volume to all markets.

- Alberta supports free and open trade in agriculture and will continue to work with the federal government to discuss partnerships and the advancement of cross-border trade with the new Administration, Congress and other key state legislators, decision makers and influencers.
- Alberta continues to be concerned with increasing border fees, inspections, and other measures that slow trade and increase costs.
- On July 29, 2016, former President Obama signed into law the Genetically Modified Organism (GMO) labeling bill creating a national mandatory system where food makers must disclose GMO data. Laws and regulations under this bill will apply to both domestic and foreign-produced goods.
- Alberta exported \$118,000 worth of live cattle to Wyoming in 2015 and \$360,000 worth of live cattle to South Dakota. Beef exports to South Dakota totaled \$32 million in 2015.

FORESTRY

- The Canada-U.S. Softwood Lumber Agreement (SLA) expired on October 12, 2015.
- On April 24, 2017, the U.S. Department of Commerce announced the initiation of countervailing duties on Canadian lumber ranging from 3% to 24%.
- On June 26, 2017, the U.S. Department of Commerce announced antidumping duties on Canadian softwood lumber ranging from 4.59% to 7.72%.

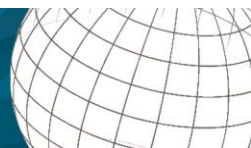
INDUSTRY & TECHNOLOGY

- 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 2016, Alberta's exports to the U.S. totalled \$68 billion.
- Alberta's exports to the U.S. accounted for 86% of total provincial exports in 2016.
- From 2012 to 2016, the U.S. accounted for 87.2% of Alberta's global exports.
- In 2016, 17 of Alberta's top 20 export destinations worldwide were to U.S. states.
- Alberta exports more to each of five states (Illinois, Texas, Washington, Michigan, and Minnesota) than it does to China, Alberta's largest export destination outside the U.S.
- Energy products accounted for 76% of Alberta's exports to the U.S. in 2016.
- Other important export sectors are (2012-2016 annual average): plastics (\$3.4 billion), machinery (\$2.1 billion), organic chemicals (\$1.8 billion), meat (\$1 billion), wood (\$811 million) and inorganic chemicals (\$729 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.
- Alberta imported over \$16 billion in products from the U.S. in 2016, specifically mineral oils, railway cars, aircraft, and alcohol.



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 crude by rail exports were approximately 125,000 barrels per day in the fourth quarter of 2015.
- 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

- Between 2011 and 2015, 5,880 citizens of the U.S. became Permanent Residents of Canada, with Alberta as their intended destination.
- 8,880 citizens of the U.S. had Temporary Foreign Worker Program (TWFP) work permits come into effect for Alberta between 2011 and 2015.
- Between 2011 and 2015, 2,175 citizens of the U.S. had international study permits come into effect for Alberta.
- 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 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 2014, Alberta hosted 772,000 person-visits from the U.S., with expenditures of approximately \$731 million.
- The U.S. remains Alberta's biggest international market in terms of visitation and tourism expenditure.
- The U.S. Pacific Region provided the largest number of overnight person-visits to Alberta in 2014, at 221,000. This region includes the states of California, Oregon, Washington, Alaska, and Hawaii.

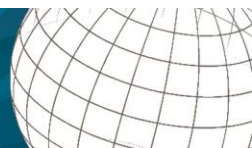
RECENT VISITS/MISSIONS

- July 2017: Cameron Westhead, MLA Banff-Cochrane, traveled to Des Moines, Iowa to participate at the CSG Midwest Annual Meeting to promote Alberta-U.S. trade and energy relations.
- May 2017: State Senator Ed Charbonneau (R) traveled to Edmonton as part of a delegation by CSG Midwest.
- May 2017: State Senators from Washington, Idaho and Montana travelled to Calgary and Edmonton as part of a delegation by CSG West.
- May 2017: Lt. Governor Cyrus Habib of Washington and Lt. Governor Mike Cooney of Montana travelled to Calgary to address the Alberta-U.S. Trade Summit.
- April 2017: Chris Nielsen, MLA Edmonton-Decore, travelled to Santa Fe, New Mexico to participate in a panel on NAFTA at the NCSL International Task Force Meeting.
- March 2017: Premier Rachel Notley and Honourable Margaret McCuaig-Boyd, Minister of Energy, traveled to CERA Week in Houston, Texas to promote Alberta's energy relationship with the U.S. Premier Notley also travelled to Austin, Texas to meet with Governor Greg Abbott.

- March 2017: Honourable Stephanie McLean, Minister of Status of Women, traveled to New York, New York for the United Nations' Commission on the Status of Women.
- February 2017: Premier Rachel Notley travelled to Washington, D.C. to promote Alberta-U.S. trade, meeting with members of Congress, the Ambassador of Canada to the U.S., think tanks, and state department representatives.
- January 2017: Honourable Oneil Carlier, Minister of Agriculture and Forestry, met with Canadian and U.S. agricultural leaders in Baton Rouge, Louisiana at the Legislative Agricultural Chairs Summit.

DIPLOMATIC REPRESENTATION

- Kelly Knight Craft was nominated on June 14, 2017 by President Donald Trump to be the next U.S. Ambassador to Canada in Ottawa. Her nomination is pending confirmation by the U.S. Senate.
- 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.





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