

Premier Gordon Campbell
Address to Canadian Association of Petroleum Producers
Calgary, Alberta
April 18, 2002

Check Against Delivery

One of the things our government is excited about is the energy industry in British Columbia.

I'm here tonight with our minister of energy and mines, Richard Neufeld, who has been given the challenge, the task and the opportunity of making sure that British Columbia is pulling its full economic weight in the energy industry in this country.

The Canadian Association of Petroleum Producers has outlined for us a broad range of activities we must pursue, recognizing that energy is a critical component of Canada's economic future.

I take my hat off to Premier Klein, who has always been a strong advocate of the industry. He has been clear about not just the economic benefits but the social benefits a community can receive when government works in partnership with industry for the betterment of the people we serve.

British Columbia is ready to be part of the energy industry in a much larger and much more aggressive way that I hope will excite you as much as it excites me and the people in my province.

We are very proud of the Ladyfern discovery just made in northeastern British Columbia. It's the largest discovery in the last 15 years in Canada, and it puts B.C. back on the map for people examining our oil and gas reserves. It's reinvigorated investment and exploration in our province.

One Ladyfern well is producing 100 million cubic feet of natural gas a day, and others are producing 60 million. By itself, Ladyfern represents 25 per cent of British Columbia's total production. There are many more Ladyferns in northeastern British Columbia – and we intend to find them.

Experts tell us there are 40 trillion cubic feet of natural gas in the northeast sector of British Columbia alone. Our goal is to encourage the investment of over \$20 billion of private-sector funds over the next six years.

We believe that will create thousands of jobs for British Columbians. We understood when we ran for office that one of our most important challenges was to reinvigorate the private sector – to build confidence with investors about what we can do when we work together.

We've taken a number of steps to accomplish our goals. On our first day in office there was a dramatic cut in personal income tax, which means British Columbians are paying the lowest base rate of personal income tax in Canada on the first \$60,000 of income. I'm proud to say that we have the second-lowest level of marginal income tax rates in the country. I want Ralph to know that we're coming after him.

We'll have eliminated the corporate capital tax by September 1st of this year. We have eliminated the tax on machinery and equipment. We have reduced our corporate income tax levels. We've reduced our tax levels on jet fuel and bunker oil.

We have reduced 17 taxes in the province of British Columbia in the last year, leaving a billion dollars more in people's pockets and \$400 million more in investors' pockets. That's a start to building a private-sector economy that we can all be proud of.

The oil and gas sector is a critical cornerstone for British Columbia's economic future. If we can pull our full weight in energy development in British Columbia, we will make a major contribution to the national energy strategy. The energy industry is booming in our province. We had an increase of 22 per cent in size in 2002 over 2001. We know that we have reserves: 17 per cent of all natural gas reserves in the Western Canada basin are in British Columbia. Yet only six per cent of the total number of wells are in our province. Clearly we have a job to do, and we want to work with you to make sure that we can capitalize on those assets and those benefits.

Yesterday in our legislature Dick Neufeld introduced a sweeping package of legislative reforms aimed specifically at renewing oil and gas exploration by making sure more permits are approved – but more importantly, are approved faster – in our province.

We want to get rid of overlapping regulations. We want to have a co-ordinated plan and enforcement body. We want to avoid redundant inspections. We want to increase our efficiency in serving your needs.

It's one thing to be open for business; it's another thing to serve business. We intend to serve the oil and gas community so you want to invest in British Columbia. We're working to make sure that your investments are successful.

We are removing the 600-metre limit restriction on the depth of test pools. We hope that will encourage new exploration. We are allowing our Oil and Gas Commission to extend a timeframe of licences to save you reapplication costs. These things are aimed at reducing your costs as you help us pursue our goal of capitalizing on our energy assets.

I'm sure many of you will be aware of the fact that British Columbians are getting more and more excited about our energy opportunities. We have an estimated 90 trillion cubic feet of coal-bed methane. In every region of the province – from Vancouver Island to the Chilcotin, from the Kootenays to the North – coal-bed methane is an opportunity for us to pursue. Currently, coal-bed methane meets about seven per cent of the American

markets. By working together we can develop those opportunities in a way that serves the needs of British Columbia and the needs of Canada.

We are aware of the opportunities and the estimated reserves of offshore oil and gas exploration off the northwest coast of the province. People in the Northwest are very excited about that potential. We are working with the federal government on a coordinated and cohesive approach to see if it will be possible to exploit those potential reserves in an environmentally sustainable and scientifically sensible way. I'm hopeful that in the next couple of weeks we will be able to make an announcement with regard to offshore oil and gas.

Just so you know why we're interested, it is anticipated that there are over 40 trillion cubic feet of natural gas off the northwest coast of British Columbia and up to 10 billion barrels of oil. We cannot afford to turn our backs on the social and public benefits of exploiting that energy in a sustainable way.

We are also working to meet the needs and concerns of our aboriginal communities. (Northwest Territories) Premier (Stephen) Kakfwi has been very clear about how important it is that we work together to build the skills in our aboriginal communities, to build understanding and the sense of hope and opportunity the rest of us feel.

We are working right now with our Treaty Eight First Nations to create consultation agreements and put them in place to deal with issues like funding capacity and economic development measures. Agreements are already in place: \$700,000 annually for each First Nation to help them build their capacity, their business development and skills training.

Many of our First Nations are asking why we don't emulate many of the processes you have here in your province. I want to thank you for your leadership, for the pioneering role you've played here in Alberta to make sure all of your citizens participate and benefit from the development of our energy resource.

We want to emulate that in our province. We want our aboriginal communities to understand the excitement, to feel the sense of hope and opportunity that a prosperous energy industry will create in their communities across British Columbia.

I'm very pleased to be invited to be part of this celebration. Congratulations to the Canadian Association of Petroleum Producers for playing such a positive, active and constructive role in building the understanding of Canadians about the potential that energy holds for all of us.

As you inaugurate and initiate the efforts of the Canadian Centre for Energy Education, British Columbia is looking forward to being an active and positive partner as we build public literacy about the energy challenges and opportunities we face.

We believe energy is one of Canada's competitive advantages, and we should not take it for granted. We should recognize the incredible asset that we have in oil and gas, in alternative energies, in coal and in hydroelectricity.

We can work together to build a future on the foundations of a strong competitive energy policy, where each Canadian recognizes the social and economic benefits and enjoys future prosperity.

Thank you for having us here, and congratulations on your 10th anniversary. Let's build an even stronger energy industry for the future.