



**NEWS RELEASE
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New *Vision 2050* savings strategy will reduce reliance on volatile commodities and overcome environmental challenges

(Calgary, AB) – The Calgary Chamber of Commerce released a new *Vision 2050* strategy that will slowly reduce dependence on non-renewable resource revenues for program spending and replace this with a permanent income stream to maintain our high quality of life. It builds upon the Chamber's recommendations to the Financial Investment Planning & Advisory Commission (FIPAC) and reflects current economic conditions.

“With so many risks right now – the volatility of commodity prices, challenging global equity markets, and emerging carbon management demands – what has been viewed as a reliable revenue stream needs to be reviewed,” says Geoff Pradella, Vice-President of Public & Government Affairs with the Calgary Chamber of Commerce. “Looking forward, the government's dependence on resource revenues for ongoing operating expenditures is at greater risk today than it has been in the past.”

In the last six years, non-renewable resource revenues have covered approximately 19 per cent of total expenses, creating a risky reliance.

“The Chamber urges the province to develop a new and aggressive savings strategy to turn today's energy wealth into tomorrow's prosperity,” says Pradella.

The Chamber therefore recommends adopting a schedule to decrease the proportion of resource revenues for budgetary purposes to no more than 15 per cent during the next three years, and deposit the resulting 'savings' in the Heritage Savings Trust Fund.

With a conservative four per cent real rate of return and reinvestment, the increased capital in the Fund would generate more than \$4.3 billion in interest payments by 2050, almost replacing the value of current budgeted non-renewable resource revenues (\$4.9 billion average since 2002). This does not factor in deposits of unbudgeted surpluses.

The province has an established policy of allocating one-third of unbudgeted non-renewable resource revenues to savings, and two-thirds to capital and maintenance.

Another key element of the *Vision 2050* strategy is the creation of a new \$5 billion endowment fund to raise the priority of energy research to overcome Alberta's environmental challenges. The REFIT (Research in Energy Futures – Innovation &



Technology) fund would position Alberta as a global leader in carbon capture and storage and clean coal technology, and develop other promising initiatives.

“The province’s new \$2 billion investment in carbon capture and storage with industry is a great start,” says Pradella. “It’s time for a major research push similar to Alberta Oil Sands Technology Research Authority (AOSTRA) initiative in the 1980s that made the oil sands a reality,” says Pradella.

R & D investment in the energy industry today is about one-third what it was 20 years ago.

“*Vision 2050* reduces the forward risk of dependence on volatile resource revenues, creates a permanent income stream, and positions the province for continued prosperity in anticipation of increased consumer demand for more environmentally-friendly energy sources through targeted research and technology investments,” says Pradella. “It’s time to invest for the future.”

About the Chamber

The Calgary Chamber of Commerce is a volunteer driven, not-for-profit, and non-partisan advocacy group whose mission is to lead and serve the Calgary business community, valuing its diversity.

On critical and emerging issues in public policy, the Chamber acts as the leading forum for debate, and advocates public policy solutions that improve the business climate on behalf of our members.

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