

# Liepert eager to mend fences

## Next energy minister says he has heard industry's complaints

BY SHAUN POLCZER, WITH FILES FROM LISA SCHMIDT, CALGARY HERALD, CALGARY HERALD JANUARY 14, 2010



Alberta's Health Minister Ron Liepert.

**Photograph by:** Larry Wong, Edmonton Journal

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CALGARY - Alberta's new energy minister says he knows there's still a lot of dissatisfaction with the province's royalty programs, a problem he plans to tackle head on in his new role.

Ron Liepert, who on Friday will take over the portfolio overseeing one of the province's key revenue contributors, said he has personally heard many complaints over the government's royalty policies while knocking on doors during the last election campaign. While admitting "I have a lot of learning to do," he said he's eager to mend fences with the industry.

"I don't think that's dissipated," he said of the oilpatch frustration. "I absolutely agree with the premier that the competitiveness review is crucial to restoring the confidence of the Calgary oil and gas industry."

Energy industry representatives are hopeful the change will address the rift with an increasingly

alienated oilpatch.

The former health and wellness minister, the MLA for Calgary-West, will take over the energy portfolio from Mel Knight, who shifts over to sustainable resource development when they are sworn into their new positions Friday.

Observers said it's important for the government to rebuild trust with the city's oilpatch, which has been hit hard by higher royalties and lower natural gas prices, which have resulted in plummeting drilling and activity levels as big companies sell assets and turn their focus out of the province.

Gary Leach, president of the Small Explorers and Producers Association of Canada, said he's hopeful that having a local MLA will facilitate an ongoing dialogue that many felt had been lacking under Knight.

"I think it's probably helpful that he's from Calgary. Calgary is Canada's energy capital, so it makes sense to have the energy minister based where the majority of the sector is headquartered."

Liepert comes in as the province seeks to address the exodus of drilling dollars and jobs to neighbouring British Columbia and Saskatchewan with its competitiveness review.

In a news conference at the legislature, Premier Ed Stelmach said Liepert's first priority is the competitiveness review, describing the government as a "partner" with the oil gas industry in addressing structural changes particularly in the natural gas sector.

"His main responsibility will be completing the competitiveness review. He is task-focused and will get the job done," Stelmach said.

In his remarks, Stelmach said having a minister from Calgary will at least address the perception that the government is out of touch with what's going on in Canada's oil and gas hub.

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But Roger Soucy with the Petroleum Services Association of Canada noted outgoing minister Knight was from industry and still failed to build an amicable rapport with oil and gas companies.

"Even though he's from Calgary, you certainly can't describe him (Liepert) as an insider. I don't see it as a huge advantage," he said. "He doesn't come from an industry background. He's got a learning curve. Knight came from industry and that didn't turn out as well as we had hoped."

Soucy said the petroleum services association, whose members employed about 60,000 people at the height of the boom, is pinning its hopes on the competitiveness review to re-establish trust between government and industry, but more importantly with investors who have shied away from putting money in the sector while the province dithered on royalty and regulatory policies.

"(The review is) key on a lot of things; it's absolutely crucial that we get things right this time to get things moving again."

That sentiment was shared by Don Herring with the Canadian Association of Oilwell Drilling Contractors, who described the review as "by far the most significant issue" facing the energy sector. "We're confident that process will continue."

Herring said Liepert's background isn't as critical as his desire to make Alberta the most competitive jurisdiction in North America.

"I think it's probably helpful that he's from Calgary, but it's more important to have someone who's willing to work hard and listen."

Travis Davies, a spokesman for the Canadian Association of Petroleum Producers welcomed Liepert to his position, but also applauded Knight's move to sustainable development and the continuation of Rob Renner in environment.

"We are pleased to see that a seasoned cabinet veteran with leadership experience has been appointed to the energy portfolio, which is complex and of great importance to all Albertans," he said. "We are also pleased to see Minister Mel Knight on sustainable resource development, another important ministerial portfolio for the oil and gas industry that demands a high level of knowledge around the issues."

The Calgary Chamber of Commerce also commended the shift of Iris Evans from finance into international and intergovernmental affairs as a positive step to promote oilsands.

"Maybe a lot of people won't read the tea leaves the same way I'm doing, but I think it's a very strong

signal of the premier and the government recognition that the oilsands file is extremely important," said Geoff Pradella, vice-president of the Calgary Chamber of Commerce.

"I think that raises the importance of taking Alberta's message on environment and oilsands issues abroad."

But others were less kind with the shift in strategy. Joe Anglin with the Lavesta Area Group that is opposing the construction of high-voltage transmission lines in the province, described Liepert's appointment as "baffling" given his reputation for confrontation over reconciliation. "I'm not at all impressed. This position needs a diplomat. It's not an easy job. He's the last guy I'd put in."

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### Liepert's Road To Alberta Energy

- Born in Saltcoats, Sask.
- Moved to Alberta in 1971 to attend the Columbia School of Broadcasting.
- After a career in media he served as Peter Lougheed's press secretary 1980-85 and was at the former premier's side during the energy wars with Ottawa and the Constitutional Accord meetings in 1982.
- Served as trade director of western U.S. operations for Alberta Economic Development from 1986 to 1991.
- Joined Telus in 1991 after the privatization of Alberta Government Telephones.
- First elected to the Alberta legislature in the riding of Calgary-West in 2004. Re-elected on March 3, 2008, and was named minister of health and wellness a few days later.
- Named minister of energy on Wednesday.