



Premier of Alberta

Office of the Premier, 307 Legislature Building, Edmonton, Alberta T5K 2B6 Canada

AUG 30 2013

Mr. Derek Fildebrandt
Alberta Director
Canadian Taxpayers Federation
dfildebrandt@taxpayer.com

Dear Mr. Fildebrandt:

Thank you for providing me with a copy of the Canadian Taxpayers Federation's commentary entitled, *Let's Rebuild Responsibly*, on June 27, 2013. I am pleased to respond.

Our government will do everything it takes to ensure that people can rebuild their homes, their lives and their communities. As of July 9, 2013, nearly 36,000 emergency payments had been made to displaced residents, with an estimated value of approximately \$62 million. The Trans-Canada Highway through Canmore, damaged during the flooding, reopened to two-lane traffic by June 26, 2013.

Total cost estimates for the flooding in southern Alberta are still very preliminary. Our government has pledged an initial \$1 billion of flood recovery and reconstruction funding, understanding that assessments of the full impact are just getting underway. It is also recognized that disaster recovery could last a decade.

We are committed to making sure that we take the time to do it right. A Ministerial Flood Recovery Task Force has been established to make timely decisions and enable and empower municipalities and First Nations. We will also be working with the federal government on a coordinated response. The immediate costs of the response are being accommodated within current funding appropriations. However, due to the magnitude of the disaster, government may come forward with a supplementary estimate later in the year, which will include an update to the fiscal plan.

As you mentioned in your commentary, the government has budgeted \$200 million in each of the next three years for disaster and emergency assistance. Your recommendation to increase this provision in the provincial budget will be taken into account as government considers all input and makes decisions based on what is best for the entire province.

It is too soon to say whether government will have to borrow to fund the disaster recovery. As at March 31, 2013 the balance in the Contingency Account was \$3.3 billion, with an additional \$256 million to be transferred in at April 1, 2013. The primary purpose of the Contingency Account is to ensure short-term fiscal sustainability, and *Budget 2013* included a savings plan to replenish the fund.

Our government is committed to building Alberta. We are not going to put work on hold all around the province because of the flood. *Budget 2013* included a carefully considered plan to borrow for the Capital Plan along with a clear debt management plan. Albertans have been clear in their support for continuing to develop infrastructure, borrowing when it makes financial sense and having a responsible repayment plan in place.

Once again, thank you for taking the time to express the views of the Canadian Taxpayers Federation.

Yours truly,



Alison M. Redford, QC

cc: Honourable Doug Horner
President of Treasury Board
Minister of Finance