



CANADIAN ASSOCIATION
OF PETROLEUM PRODUCERS

April 28, 2004

The Hon. Greg Melchin
Minister of Revenue
222 Legislature Building
10800 – 97 Avenue
Edmonton, AB T5K 2B6

Dear Minister Melchin:

Re: Uniform Securities Legislation

The Canadian Association of Petroleum Producers (CAPP) represents 150 companies that explore for, develop and produce natural gas, natural gas liquids, crude oil, oil sands, and elemental sulphur throughout Canada. CAPP member companies produce more than 98 per cent of Canada's natural gas and crude oil. CAPP also has 125 associate members that provide a wide range of services that support the upstream crude oil and natural gas industry. Together, these members and associate members are an important part of a \$75-billion-a-year national industry that affects the livelihoods of more than half a million Canadians.

CAPP is very supportive of the various initiatives that have been undertaken over the last two years to establish uniform securities legislation (USL) in Canada. The efforts of the Alberta Securities Commission, the Federal Wise Persons' Committee and the work of your office and the Inter-Provincial Securities Initiatives Committee you chair, should be applauded. In particular, we appreciate the success of the Canadian Securities Administrators (CSA) in reaching agreement on common language for USL. Achieving agreement on a complex matter like this is always a challenge, one for which the CSA is to be commended.

CAPP has a keen interest in the development of USL and establishing more streamlined regulations for Canada's financial markets. USL has the potential to reduce filing and reporting expenses. It can also remove the current uncertainty surrounding securities regulation in various jurisdictions, which can result in compliance issues. More importantly, consistent and uniform securities regulations will also help build back the public trust in corporations that has eroded over the past few years. Clear and comprehensive regulations will help strengthen public confidence in corporations, and our financial markets which in turn, will attract investment and strengthen our provincial and national economies.

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Although we recognize that work still must be done to determine how a uniform securities regulatory system would be administered, we strongly recommend that Alberta adopt and pass the CSA's recommendations for common language. This would be viewed by CAPP as an important first step towards adopting USL across Canada – an important component to allowing Alberta and Canada's capital markets to remain competitive with those in the global market place, while also meeting public and market demands for transparency, accountability and enforcement.

Sincerely,

A handwritten signature in black ink, consisting of a long horizontal stroke followed by a small loop and a vertical tick mark.

David Byler
Chair, Fiscal Policy Executive Policy Group

Cc: Hon. Greg Sorbara, Minister of Finance, Ontario
Yves Séguin, Minister of Finance, Québec
John Les, Minister Responsible for Deregulation Initiative, British Columbia
Greg Selinger, Minister of Finance, Manitoba
Eric Cline, Minister of Industry and Resources, Saskatchewan
Kerry Morash, Minister of Environment and Labour, Nova Scotia
Bradley Green, Minister of Justice and Attorney General, New Brunswick
Jamie Ballem, Attorney General, Prince Edward Island
Dianne Whalen, Minister of Government Services, Newfoundland and Labrador
Charles Dent, Minister of Justice, Northwest Territories
Glenn Hart, Minister of Community Services, Yukon
Paul Okalik, Minister of Justice, Nunavut
Stephen Sibold, Chair and CEO, Alberta Securities Commission
Michael Phelps, Chair, Wise Persons' Committee