



Alberta Economist Sees \$25 Billion APP Benefit, Relatively Little Risk

CALGARY, AB, CANADA, January 17, 2020 /EINPresswire.com/ -- Dr. J. Richard Bird, an Alberta economist and retired senior executive has submitted a review of the Alberta Pension Plan concept to the Alberta Fair Deal Panel. The review is titled, "A More Balanced View of the Benefits and Risks of the Alberta Pension Plan Concept". Dr. Bird concludes that the direct benefit to Alberta of an APP would be substantial with a discounted present value of \$25 billion, possibly considerably more or somewhat less, and with risks, issues and costs which appear very small in comparison. He finds that rather than being "fraught with risks" the risks and other cons of an APP identified in a recent paper by Keith Ambachtsheer of KPA Advisory Services are all relatively inconsequential in severity and certainly not a basis to forgo the substantial benefit which an APP would provide.

Dr. Bird calculates the potential present value of the increased annual cash flow that an APP would provide to Albertans under three different scenarios ranging from optimistic to very pessimistic, with a resulting range of \$46 billion down to \$18 billion, and with a benefit of \$25 billion corresponding to a moderate case. He also reviews the risks and other cons identified in the Ambachtsheer paper one by one and explains why they are not significant in comparison to the benefit.

Commenting on the submission to the Fair Deal Panel, Dr. Bird said, "Since the original study by the Fraser Institute the APP concept has been characterized as everything from "a slam dunk", which it is not, to "fraught with risks", which it isn't either. As I watched the media reporting on this matter I have felt increasingly that there is a need for a balanced, thorough and "made in Alberta" weighing of the benefits and risks of this concept rather than a one sided focus on just the benefits or just the risks. That is why I have undertaken my review and submitted it to the Fair Deal Panel."

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Dr. Bird's education and experience has focused for 50 years on economic analysis of the benefits and risks of major financial decisions. He received his Ph.D in Managerial Economics from the University of Toronto in 1975. He taught business economics and management science at Queen's University for six years before embarking on a 38 year career in the energy industry. At retirement he was Executive Vice President Corporate Development and Chief Financial Officer of Enbridge, one of Canada's largest public corporations, with responsibilities which included establishing Enbridge's position as the largest Canadian renewable energy producer, as well as chairing the corporation's pension committee. In 2009 Dr. Bird served on the federal Minister of Finance's Advisory Committee on Financing. In 2010 he was named Canada's Chief Financial Officer of the Year.

Dr. Bird currently serves as the chairman of the board of directors of the Alberta Investment Management Company which manages the investment of \$120 billion of Alberta public sector pension and endowment funds. He is the president of the Ptarmigan Charitable Foundation and manages the investment of the family foundation's capital and the allocation of its investment income among local, national and international priorities including education, physical fitness and sports opportunities for First Nations youth. He has lived in Calgary for 28 years.

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