

October 17, 2023

The Honourable Jim Dinning, E.C.A.
Chair, Alberta Pension Plan Engagement Panel

Dear Mr. Dinning,

I am writing on behalf of the Canada Pension Plan Investment Board (CPP Investments) to offer our congratulations on your appointment as head of the Alberta Pension Plan (APP) Engagement Panel.

Your extensive experience in matters of public finance, including the role you played as Alberta's Treasurer when you helped reform and secure the Canada Pension Plan (CPP) for generations, uniquely qualify you for this task.

Many Albertans rely on the CPP for a significant part of their retirement income. It provides a source of comfort and protection at a time when seniors are often most vulnerable. The possibility of Alberta withdrawing from the CPP is a matter that will impact Albertans for generations. As such, the integrity of the public consultation process that you have been asked to lead is of critical importance.

We respectfully want to flag to you as head of the panel some troubling elements that in our view undermine the transparency, fairness, and integrity of the consultation process that has been put forward to the public so far.

First, your panel invites Albertans to "have your say" in a survey that fails to meet key principles of effective and meaningful consultation with the public. We engaged a third-party market research firm to analyze the survey against best practices of public engagement. They concluded that it failed to meet its objectives of effective public consultation. A copy of their report is enclosed. Among their findings, they observed that it asks respondents to provide feedback on idealized positive outcomes of a theoretical provincial pension plan without providing any contextual information about how difficult such outcomes might be and the corresponding risks and drawbacks. Most concerning is the starting point of assuming that every individual who responds to the survey wants to leave the CPP and start an APP. The survey is unfortunately formulated to direct opinions rather than seek them.

Second, the advertising campaign in support of the consultation is similarly unbalanced and incomplete. These advertisements note that the government "wants to hear your thoughts, questions and concerns, no matter where you stand on the issue." This necessitates ensuring the provision of a thorough and unbiased set of facts, including the long-term risks and costs of withdrawing from the CPP.

The advertising fails to do so and is undisguised in its bias toward the APP. It highlights supposed benefits that would arise only if a narrow set of assumptions prove to be correct. This is despite many experts discrediting the analysis upon which the advertisements are based. To ask people their views informed solely by this one-sided presentation is, we hope you would agree, incompatible with the honest and open survey of public attitudes we hope you will undertake.

I would like to submit, therefore, two requests. First, we seek an opportunity to provide a submission to highlight the benefits of the CPP to Albertans, the shortcomings of the LifeWorks report, and the risks inherent to the APP proposal. Second, we ask to be provided an opportunity to testify before your panel to place these same arguments on the record and answer any questions you might have of us.

We are not political advocates or partisan actors, but neither are we neutral on the question of the future of the CPP. Even as a public purpose institution, we accomplish our mission by embracing leading commercial practices as we compete in the world's most intense markets.

Our enabling legislation sets out that we must act in the best interests of all contributors and beneficiaries and, as such, we believe it is important that we share our views on this topic. We have been proudly serving Albertans – and Canadians – for more than two decades with a track record of performance few investors globally can match. We will do what is necessary and appropriate to continue serving everyone who contributes to or benefits from the CPP Fund we manage.

The CPP is one of the best examples of cooperative federalism, stewarded by provincial and federal finance ministers of all stripes since its formation. Beyond our borders, many jurisdictions around the world are envious of what has been achieved by pooling resources and setting aside short-term political considerations for the long-term benefit of 21 million contributors and beneficiaries.

Leaving the CPP is an irreversible decision that will have lasting consequences for Albertans, as well as past and future Canadians with pensionable earnings in Alberta. It is critical that the debate concerning Alberta's future relationship with the CPP be open, honest, and unbiased.

As the head of the panel, we have every confidence in your willingness and ability to shape this debate such that the principles of effective and meaningful consultation are respected. We look forward to the opportunity to make our submission to you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michel Leduc".

Michel Leduc
Senior Managing Director & Global Head of Public Affairs & Communications

Enclosure:

APP Consultation Review by Innovative Research Group

CC:

Mary C. Ritchie
Moin A. Yahya