

Represented here today are five Newfoundland and Labrador communities who came together to form the advisory committee for the Isthmus Regional Readiness and Industrial Benefits Planning Study. The study is intended to identify how communities can best take advantage of the opportunities that will come as a result of industrial development in the region.

My name is Michelle Porter. I was hired to coordinate this study. I am a doctoral candidate with Memorial University's geography department.

Five communities are participating. Sunnyside, Come By Chance, Southern Harbour, Arnold's Cove and Clarenville. These communities came together as a result of ongoing attempts to work together on issues which impact and concern them specifically. Because of this history of cooperation they came together to work on a regional approach to issues in the region, provide a regional point of contact and to speak with a regional voice.

For this on-going study I have been talking mostly with benefits planning experts and members of the five participating communities. Attempts to connect with industry representatives since July and have met with limited success. I will talk more about that later.

I've talked with members of municipal councils, community leaders, business owners, representatives of area chambers, community volunteers and more. I've asked them about community needs, opportunities and priorities and the processes used to identify these as a community or region. I've asked about

processes by which communities have worked to maximize benefits from the industrial activity in the region and whether further regional collaboration is considered necessary or important. I've asked about community readiness to participate in regional/community planning processes into the future.

I've talked with people who have studied industrial benefit processes and are working in this field. I've asked them what makes for a successful benefits planning process and what are the keys to successful benefits planning. I've asked about case studies and experiences and about the roles of industry and communities in this process.

One of the key insights coming from these interviews is the definition of benefits. What are benefits. Jobs? A building? A playground? How could industry leave a true, lasting legacy in these communities? I ask: what if benefits were a process not a building? How can industry and communities engage each other in a benefits process and what would that process look like?

I won't answer that question here today. Although I will touch on aspects which could be part of that process as it evolves.

But first, I want to address a topic which emerged from the limited discussions which did occur with industrial representatives: why are communities entitled to any benefits at all?

Although I think many, or even most, of the people here already believe that nearby communities in particular and the province as a whole are entitled to

receive and maximize benefits from the industrial activity on their doorsteps, two of the reasons why they are entitled to benefits are worth reiterating briefly here.

First, although industry has worked to lighten impacts, the communities nearest the industrial activity--whom I am representing here today--are bearing the largest burden of this activity. These communities, most of which have limited budgets, are being asked to bear the cost of the wear and tear on infrastructure which are the direct result of industrial activity. Housing costs have soared in Isthmus region. Anyone unable or uninterested in working within the oil industry is struggling to be able to afford to live in the community. These are small communities which do not have the diverse and robust economies which can withstand this kind of pressure without some negative results. Those working outside of oil industry--teachers, fish plant workers, childcare workers, store clerks, the kind of people communities need to survive and thrive--are struggling to be able to afford housing and it is harder to attract new workers to fill these positions when the wage is no longer enough to pay for housing. The environmental impact cannot be ignored either. Although industry has been continuously improving its environmental record, these communities have lost one of the main attractions which attracted and kept people in the community: good-smelling, clean air and access to water for recreation or fishing. Emissions impact the smell of the air in these communities disproportionately. This is not to say these communities do not recognize that they have benefitted too. They have, largely

through jobs. But they have also shouldered the largest burden and believe that as a result they are indeed entitled to work with industry to find ways to receive benefits which can offset some of these and other impacts.

The second reason these communities in particular are entitled to benefits is simple. It is simply good to engage in corporate social responsibility. It is good business in that positive relationships with the nearby communities is an exchange for what is being taken out physically--the oil. This makes supporters out of nearby communities.

In interviews with these communities it has become clear that people in some of the communities do not feel that the industrial presence has benefitted them, their community or the region collectively. The benefit cited were jobs, which is important to these communities. But these people see how their communities are struggling with basic things: infrastructure, sewage and water treatment, childcare, inequality, rising housing costs, things like that. With all this wealth sweeping through the area, there is a sense that this region could have and should have benefitted more. And that is what they would like to see happen with the Hebron project. They will inevitably bear the largest burden, but these communities would like to turn that burden into an opportunity maximize benefits.

That is why we are here today. There are representatives from each municipality here to say they want to find a process through which benefits can offset the costs they bear. They have said that although there was a flurry of

consultation early in the process those consultations have stopped. In this sense, industry began well but has dropped the ball with the consultation portion of their commitment. Real, effective consultation, consultation that will help these communities prepare for and benefit from industrial activity needs to be ongoing.

Hebron's 2011 benefits plan states its commitment to benefits and refers to five of the communities I represent. It demonstrates the spirit of an obligation to provide "lasting legacy" to the province and to the communities. The plan states that ExxonMobil "has a commitment to developing industrial and human capacity, and creating and delivering sustainable strategic benefits to host nations down to the community level."

However, there are concerns about the effectiveness of the benefits plan. I will talk about three here today.

The first concern is about the language. It is very vague. The language used in the plan is general is not specific in either obligations or outcomes. As a result, industry representatives can and will, of course, interpret the plan to meet their own interests. These interests may or may not match the interests and/or needs of the communities they are supposed to be obligated to provide benefits for.

Community members will read the plan and interpret the vague wording in their own way. In doing so, they are most likely going to be disappointed. Because the plan does not ensure everyone involved understands exactly what must happen to provide benefits.

There are very good things in the plan, of course: it makes a commitment to hiring local people for example, to investing in research and development, to using local businesses and to supporting economic development when it makes sense. However, because the language is vague and does not specify how these must be done, the plan will inevitably create misunderstandings between industry and communities.

Second, we are concerned that benefits are not tied to a results outcome. For example with regard to consultations: Exxon Mobil may feel that they have fulfilled their obligation to consult through early efforts, but the communities in this study have clearly expressed dissatisfaction about the more recent lack of consultation. Who defines when the obligation to consult has been achieved? This document doesn't. The same problems occur with most of the obligations stated: unless they are tied to outcomes, there is no way to discover if they were completed and if they were completed to the satisfaction of the communities they were intended to benefit.

Third, we would like to see a commitment to the provision of benefits specifically to those communities who are adjacent to the industry and who must absorb the bulk of its costs and impacts. This issue is mentioned in the plan. It says "Stakeholders also made clear that the interest in 'local' benefits operates at a range of different geographic scales, including the communities hosting or adjacent to Project activities." However, the plan does not require any specific obligation to

deliver benefits to these communities. We believe this obligation should be stated clearly and not left vague and open to misunderstanding. The plan's executive summary states that ExxonMobil's project management is driven by a concern for community support and involvement. Yet, if 'community support and involvement' is not defined, it is open to misunderstanding, uncertainty and division.

Although there has been a focus upon what could be better, I would like to state here that the communities involved in the study I represent welcome and approve of this benefits plan in its intention. It's professed support for ensuring benefits at all stages and areas--including project management, supplier development, procurement and contracting, education and training, research and development and diversity--is exemplary.

However, the major point we want to bring forward right now is that unless there is more precision within the language in the document, unless the definitions of terms and expectations are clear, unless outcomes are defined, the document cannot provide the kind of long term, meaningful benefits it promises. In particular, these expectations, outcomes and definitions need to be decided upon in consultation with the communities who will experience the benefits, with particular attention paid to consultation with adjacent communities of Sunnyside, Come By Chance, Clarenville, Southern Harbour and Arnold's Cove.

These communities are working together to establish processes through which they can move on to prosperity as a region, buoyed up by industrial activity. The issues brought up here are at the moment central to their ability to negotiate and ensure benefits reach their region. Real engagement between industry and these communities is required and needs to be explicit in its definitions and outcomes. Establishing an open communication process that defines everyone's expectations and creates common goals may yet be the most important benefit to these communities.

Then real benefits will be experienced.

Thank you.