

Hebron Public Review Commission
Hebron Development Application

Record of Proceedings

Public Review Sessions, Day 2:
General Session

22 November 2011

Holiday Inn
St. John's, Newfoundland and Labrador

Public Review Commission

Commissioner: Mr. Miller Ayre

Official Clerk: Ed Foran

Proponent: **ExxonMobil Canada Properties**

Senior Project Manager for Hebron Project &
Vice-President of ExxonMobil Canada Limited: Geoff Parker

Hebron Project Technical Manager: Dave McCurdy

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COMMISSIONER'S OPENING REMARKS

COMMISSIONER (Miller Ayre): Despite the fact that many of you will be hearing this for the second time, we will be repeating the opening proceedings that we went through yesterday, including the presentation, of course, by ExxonMobil. We will be doing that at least once a day as we move through this process. It's, I think, part of the protocol that we should follow, even if there is only one or two for whom it's new, and you can treat it as part of the learning process, I guess. I don't know. Try to memorize it. I even offered to swap with Geoff and he can give mine and I'll give his, once we get further on in the process. See how that turns out.

Well, my name is Miller Ayre, and on the 24th of June I was appointed Commissioner of the Hebron Public Review. I have a business background in publishing and retail; and, among other things, have served as Chair of the Canadian Chamber of Commerce, and as a Member of the Institute of Research on Public Policy, and I'm currently National Vice-Chair of the Canadian Forces Liaison Council.

This is the second day of our sessions of the Hebron Public Review and it is good to see so many out here again, and I would like to take some time to outline the process.

Process

I was appointed under the Canada-Newfoundland and Labrador Petroleum Board, by them, and pursuant to Section 44(2)(b) of the Atlantic Accords Act, to conduct a comprehensive review of the Hebron Project Development Application, and to include human safety and environmental protection, incorporate into the proposed design and operation of the project the general approach to the proposed and potential development and exploitation of the petroleum resources within the Hebron Significant Discovery Area, the resulting benefits that are expected to accrue to the Province of Newfoundland and Labrador and to Canada, and, in particular, regard to the requirements for a Canada-Newfoundland and Labrador Benefits Plan, and a consideration of the matters dealt with in the Development Plan Guidelines and a Benefits Plan Guidelines.

Some areas were specifically ruled out as an area of consideration by the Commission; in particular, questions of energy, policy, jurisdiction, the fiscal or royalty regime of the governments, the division of revenues between the Government of Canada and the Government of Newfoundland and Labrador, or matters that go beyond the potential or proposed development of the Hebron Significant Discovery Area.

The C-NLOPB conducted a completeness review of the Development Application sent to them by ExxonMobil, who are the operators, on April the 15th, 2011, including the Development Application Summary, a Development Plan, a Socio-Economic Impact Statement, and

Sustainable Development Report, and supporting documents.

A Benefits Plan is also part of this Development Application. This was submitted to the Board on May the 10th. The Board deemed the application was in compliance with the Regulations and forwarded the documents to me for public review on August the 25th.

I have 180 days from August 25th to get my final report together, have it written and submitted to the Ministers of Natural Resources, Federal and Provincial, as well as to the C-NLOPB.

Following the Review Guidelines and our Operational Procedures, including appropriate notice periods, I have requested public input during two stages of the Review Process, during the Additional Information Review, which is now completed, and during the Public Review sessions.

On September the 13th, I submitted a request for additional information to the operator, ExxonMobil, taking into account questions asked from the public and from the Commission. After careful consideration, the information received two weeks later from ExxonMobil on October the 15th turned out to be satisfactory and complete, and on August the 21st, I gave notice these public sessions would begin on November 1st.

We have three weeks in which to carry out the public sessions, and we're interested in what we hear from the public, and we also want to interact with ExxonMobil, and so these sessions should be educational and should provide an opportunity for everybody to understand more about the project and to ask questions for which they need answers.

All questions should be directed through me as the Commissioner. I can also ask questions as issues arise.

The atmosphere of these sessions will be much less formal than a courtroom-type environment, and, as I said yesterday, I expect using my motto, there is will be no swearing in and no swearing on.

We are following the process laid down in our Operational Procedures which are based on Chapter 6 of the C-NLOPB Development Plan; my Terms of Reference and Mandate.

To give you an overview of the daily routine:

I will open each day with these brief remarks, not so brief actually, and ExxonMobil will then have 30 minutes to discuss their project in keeping with the themes of the day. There will be an opportunity after these presentations for outstanding business arising from the previous day's session. After a coffee break we will return and hear from the scheduled presenters.

Each presentation should take 15 minutes but in some cases speakers have requested more time, and we will provide it if we can. Each presentation will be followed by questions and answers. I would ask that all speakers respect the time allocated to you. My intent is to keep the public schedule as much as possible.

There will be a box with three lights on the speakers' podium: Green to speak, yellow giving you five-minute warning and a flashing red light indicating time to conclude remarks.

If a presenter is to be heard in the morning, they will be heard in the morning; or in the afternoon, in the afternoon. But times may vary within those sessions as some sessions may be longer or some presentations may be longer or shorter than others.

I would ask media who's present to make sure that any audio and video equipment is used in the areas indicated for them, and be especially careful not to be disruptive of any presenters who are not used to being in public sessions.

Each session is being taped and transcriptions will be available and put on our website, usually within 72 hours. These will be unofficial transcripts and subject to corrections as to fact or particular names of speakers.

So hopefully we'll keep all the material respectful, informative and good dialogue will ensue from all parties.

Now I would like to introduce my team to you:

Ed Foran, Project Manager, who will act as Official Clerk for these proceedings, is on my right; Shannon Lewis-Simpson, our Communications Manager, is down at the desk, as is Claudine Murray on the right of the desk who is our Office Manager, and in between we have Bridget Daley, our Legal Counsel.

With us today, also, I think we have Pat Stamp who looks after some of our Benefits Review, and also Dr. Doug House who is also assisting the Commission with his advice as well.

At this stage I will use a safety moment as they say in the trade, in the ExxonMobil world especially, and I think it is a very useful practice, and that is just to make sure you all know that the exits are at the back of this room, the one you entered from, and the other which goes out through a corridor. This particular one gets you to the doors more quickly. That's just a small piece of advice I have for you.

There will be two breaks in all likelihood, but if we can do with one, we will do so. If there are no questions at this point on procedures, I'll hand it over to Geoff to introduce his team, and also Geoff is going to provide the presentation that Mobil has for us to inform

everyone of the project.

PROPONENT'S PRESENTATION

GEOFF PARKER: Thanks very much, Commissioner. Good afternoon. First on behalf of the entire Hebron team, I would like to you thank you for the opportunity today and in the coming days to talk about the Hebron Project. We are very proud of the project and the work that is being done on it to date.

During the sessions we'll talk about our fundamental commitments to safety and protecting the environment, as well as our general approach to the proposed and potential development of the petroleum resources within the Hebron Significant Discovery Area.

We will outline the framework that ExxonMobil has created to put these commitments into action. That framework is called the Operations Integrity Management System or OIMS for short.

OIMS is a structured and rigorous approach to identifying hazards and managing risks. We will also cover the tremendous benefits that the Hebron Project represents for the people of this province and the entire country, and well will explain how the project will meet the requirements of the Benefits Plan.

But before we get into all of that, I would like to give you a little background on myself and my colleague joining me at the table, Dave McCurdy.

I'm Geoff Parker and I'm the Senior Project Manager for the Hebron Project and Vice-President of ExxonMobil Canada Limited. I'm an engineering graduate from the University of Western Australia, and I have been with Exxon for more than 20 years. During that time, I've worked on gravity base structure projects in Australia, Western Europe and Russia. Most recently, I was project manager on the Arkutun Dagi GBS in Russia where I managed the project from early concept through the substantial completion of construction.

Dave McCurdy is the Hebron Project's Technical Manager. He's a Mechanical Engineer who has spent nearly 30 years in the International Oil and Gas Industry with ExxonMobil. Dave has lived and worked in the United States, Canada and Italy. He's been with the Hebron Project since early 2009, and in that time he has been around the province with the Hebron team and has heard directly from many of the people who will be participating in the Review Sessions over the next few weeks.

A lot of work has been undertaken and substantial progress has been made since the Hebron Agreements were signed by the province and the Hebron co-venturers three years ago. You can see the names of our co-ventures listed on the slide. They are: Chevron, Suncor, Statoil

and Nalcor. and we are very pleased to be working with these companies who share our commitment to responsible development.

Our Development Application, which we submitted earlier this year, lays out our plans for the life of the project. We are confident that we have a strong project. Our plans for engineering, construction and operations are being developed to ensure the safety of everyone involved in the project.

We have conducted detailed Environmental Impact Assessments which include significant interaction with external stakeholders through the Comprehensive Study Report Process. We've worked diligently to ensure that our project is having a positive socioeconomic impact.

The Hebron Project Development Application has been assessed by the Board and deemed to be complete for the purpose of this Public Review. That scrutiny will continue through the Review Process and throughout the remaining regulatory process. The project application has been shaped to a significant degree by the input received from a number of parties.

The project team consulted with the supply community, post-secondary institutions, municipalities, Provincial and Federal Government officials, the Offshore Petroleum Board as well as local organizations and other interested parties during the extensive public consultation that led to the filing of the Development Application.

The Hebron Project has a number of direct benefits for the people of this province. First and foremost, it will provide meaningful jobs and careers for Newfoundlanders and Labradorians. Diverse jobs for a diverse workforce.

Furthermore, our investments, combined with the province's equity in the project, plus the royalty and taxes generated from the operations will help fund provincial infrastructure, social programs, research and development, education and training, and services for decades to come.

And it is very important to recognize that the Hebron Project will offset projected declines in oil production offshore Newfoundland and Labrador, and will help meet global energy demand for many years to come.

During this Review Process we should keep in mind that the Hebron Project is in the defining stage that occurs prior to detailed engineering and detailed execution planning. So while all details have not been developed at this stage, we can confirm that the engineering and execution plans will be consistent with the Regulations, Development Application and Benefits Agreement.

Commissioner, I am here today with members of the project team, some of whom are sitting

over here in front of Dave, to walk through our plans and answer your questions as well as the questions from other interested parties.

This project is an important one for everyone in the room. If the Development application is approved and the co-venturers sanction the project, it will benefit virtually everyone in the province.

We look forward to spending a lot of productive time with you over the next three weeks., and now I will provide a summary of our Development Application, starting by outlining the commitments that underpin our plans for the development of this world scale resource.

Summary of Development Plan

So the overall commitment from the Hebron Project team is to successfully deliver the Hebron Project and at the same time achieving world class levels of safety, security, health and environmental performance. We will be providing substantial benefits to Newfoundland and Labrador. We will building and strengthening relationships with the Newfoundland and Labrador community, and ultimately creating an offshore platform that will operate safely and reliably.

The Development Application consists of two primary documents: the Development Plan and the Benefits Plan. Several supporting documents are there; including the Concept Safety Analysis, the Socio-Economic Impact Statement, the Comprehensive Study Report, and the Development Application Summary. All of those documents are on the Offshore Petroleum Board's website. For those of you who don't want to read all of them, I recommend the Development Application Summary.

You will hear us talking a lot about our commitment to safety because, really, is a core value for ExxonMobil and its co-venturers. It is very important to us that everybody who comes to work on the this project gets to go home at the end of the day in the same healthy condition they were in at the beginning of the day; and to that end, we've already started programs in our engineering and construction sites. We've been partnering with local contractors to help them understand our safety expectations and to share some of the safety tools that we use to ensure a safe work site. We've been holding safety forums here for the last few years in St. John's and been very pleased with the participation from the entire contracting community of Newfoundland and Labrador and their enthusiasm to partner with us to create safe work sites. But it is also good to remember that safety is not just about construction safety. We also have to design a safe platform. So part of the Development Application is the Concept Safety Analysis. This Concept Safety Analysis identifies major hazards associated with the Hebron facility, taking into account the basic design concepts, the layout and the intended operations.

So it is done at this early conceptual stage and it assesses the risks to personnel and the environment resulting from the hazards that were identified, and then those risks are addressed during the detailed design phase.

So you could see, you could think of the Concept Safety Analysis as really being the first step in a structured process for risk management that will continue throughout the engineering, construction and operations phases.

As well as that risk management process, we also have many initiatives to make sure that we are designing a safe platform. And you can see there a photograph of the model of the gravity base structure in the wave basin here in St. John's where we're doing tests to determine the wave loads on the platform so that we can assure that it will be able to withstand them.

The Development Application also describes the petroleum resource and the offshore platform facility. Firstly the resource, first discovered in 1980, and then further exploration in 1999 discovered Pool 1. And that Pool 1 is the largest of the five major pools, and it does consist of a heavy crude. The total resource we see as being in the range of 660 million barrels to over a billion barrels of oil.

The offshore platform's facility consists of two parts. We call it the GBS, which the gravity base substructure, which is the concrete piece mainly below the water level, and then we have the topsides which houses the drilling and production facilities, and that is mainly above the water.

So the concept we have consists of a single shaft GBS with 52 well slots where the wells are drilled down through the shaft. The GBS contains 1.2 million barrels of oil storage. And the topsides facilities are sized for 150,000 barrels of oil per day. You can see on the slide that the topsides also includes a lot of water injection and that water injection is required to maintain the pressure in the reservoir so that we can continue to produce that heavy oil, because the heavy oil is more difficult to produce, say, than the more lighter crude oil that's in Hibernia.

This slide provides an overview of the Construction Plan. And you can see, on the left-hand side of the chart what we call the topsides modules. So those pieces in yellow are what make up the topsides facilities I mentioned on the previous slide. Those facilities include the utilities process module, the living quarters module, the drilling support module, the drilling equipment module and the flare boom module, and then there is some other miscellaneous topside structures that also get put together with these at the integration pier at Bull Arm. So all of these major modules come together at Bull Arm to form what we call "an integrated deck".

At the same time as the modules are being fabricated, we're building the gravity base substructure and that starts in the dry dock at Bull Arm with the base, and then that is floated around the corner in Mosquito Cove where the concrete structure is completed while it's floating there at what we call the deepwater site.

Once the GBS is complete and then the topsides over here was complete as an integrated deck, it is floated out on top of the GBS to form the complete platform. So that complete platform, while it's floating, is then taken out to the Hebron field and lowered to the seabed where it sits there under its own weight; hence, the name "the gravity base structure". It is connected up to the pipelines that export the oil to the offloading system from where it can be exported.

Seems very simple but believe me this is a large, world scale and very complex project.

The overall time line for the project is shown on this slide. We commence the FEED, which is the front-end engineering and design, in 2010, and then earlier this year, as the Commission has said, we submitted the Development Application. We are also pleased that we have commenced site work at Bull Arm to prepare that facility for construction of the GBS.

Later this year, we expect approval of the Comprehensive Study Report which is the Environmental Impact Statement for the entire project.

Next year, we will be starting the detailed design of the topsides and the GBS, and then we would be expecting Development Application approval, followed by project sanction by the co-venturers.

Later next year, we plan to commence construction of the GBS, and then in 2013 we start fabrication of the topsides. Then as the construction period, which takes us through to 2016, where we do what we call the hookup and commissioning, which is where all those pieces come back together, as I showed on the previous slide, leading through to the first oil production in 2017.

The Benefits Plan, as part of the Development Application, covers our approach to benefits, and it includes both the development phase and the operations phase. And by the development phase, I mean the engineering and construction period, the piece that we have started now.

The focus of the benefits is long-term sustainable industrial benefits. We really do want to leave a legacy in the province of improved capability and capacity. We want to further advance the development of industry in the province. We want to utilize and build on the capability from previous offshore projects.

To that end, we've had significant and extensive consultations to shape our benefits efforts. Those consultations have been with the supply community and many other organizations.

Our Benefits Plan does address the Atlantic Accord Act and the Benefits Agreement, and it does include the measurable commitments that are outlined in the Benefits Agreement. And I think when we're talking about sustainable benefits, it is important to remember that the engineering and construction phase, as you can see in the bottom of the chart, is around the first five years and then we're really talking about the ongoing operations going for 30 or more years. So there will be many more opportunities throughout that period.

The Benefits Plan itself addresses several key areas: Project Management which talks about our organization for the overall delivery of benefits; it talks about supply development and describes many of our plans which have already begun in terms of information sessions for local contractors, particularly to help them with understanding our requirements for safety, quality, to understand our procurement processes so they are better positioned to be able to participate in the project.

The Benefits Plan describes our procurement and contracting initiatives, to ensure full and fair opportunities for all Newfoundland and Labrador supplies.

The Benefit Plans outlines our approach to education and training. and you can see in the photographs there some of the photographs where, for example, at The College of North Atlantic we've set up some process labs there to be able to train operators who will be able to work on the offshore platform in the future.

Research and Development: We have many institutions involved in coming up with new technology or more effective ways of developing our offshore resources.

And then on diversity, we have diversity scholarships and we have support for various organizations looking to increase the diversity of the workforce. You can see photographs there from our diversity scholarship presentation.

But what I would like about these benefits initiatives is they really do make good business sense. If you look at education and training as an example, it's in our interest to be able to have trained people to work on the project and to work on the offshore platform. We really want to develop a qualified workforce.

Research and Development: If we can come up with ways to more cost effectively develop the resources, then that's in everybody's interest.

And then on diversity, we all know there is challenges with the labour pool and so expanding the pool of qualified candidates by drawing on underutilized parts of the workforce is essential

for us to be able to execute these projects along with other projects in the province. And, as an added bonus, there is plenty of research that shows that diverse teams perform better than homogenous teams.

The Development Plan also outlines our approach to environmental management. That is implemented through systems, policies processes and tools consistent with ExxonMobil's Operations Integrity Management System that I mentioned earlier.

All of those processes and systems are moving us towards our overall motto of ***“Protect tomorrow. Today”***.

Our environmental approach is based on sound science and a life cycle approach. By a life cycle approach, I mean it begins way back at the initial planning session through concept selection, design, construction, operations and decommissioning. So really covers the full life of the project. And our aim is to actively manage environmental risks and focus on continuous improvement. We have a structured approach and it starts early.

Let me talk a little bit more about that structured approach. If you think about the very beginning of the project when you have several concepts that you're looking at, that's really what we're showing on the left-hand side of this slide. So for the specific project, in this case the Hebron Project, and the area in which the construction and operations will be located, we perform specific environmental analysis around those various concepts, and that is fed into the concept selection process so when we come out with an overall concept we can then move on the Environmental and Socio-Economic Impact Assessments.

So in this case of Hebron, the environmental assessment is the Comprehensive Study Report. So those foundation documents then identify and implement mitigation measures that we can include in the specific plans. In this case we'll have an Environmental Protection Plan for Bull Arm and an Environmental Protection Plan for the offshore piece. And each of those plans describes our plans for training, prevention, and mitigation; for example, at Bull Arm we've already started training of the team out there in terms of the Environmental Protection Plan, in environmental monitoring and reporting, and then we'll do assessments for environmental and regulatory compliance.

So all of these pieces from the very early stage, back at concept selection through more detailed plans and then implementation of those plans, leads to our ultimate goal of environmental protection and ***Protect tomorrow. Today.***

Another fun part of the job is getting involved in community investment. Many of our project team live in Newfoundland and Labrador and are *from* Newfoundland and Labrador. We see it as one of our roles as supporting the community in which we live and work. And there is several examples shown on these photographs.

In the top left, you can see girls from the St. Mary's School near Bull Arm. They're participating in the Texploration program, and we provided funding for that program but we also provided role models with whom the girls could interact to learn about careers in science and technology.

On the top right, we have the team from the Dunne Academy Robotics Team. They won the province competition for robotics and then represented the province at an international conference in St. Louis and we sponsored them in that effort.

We also like to support the arts, and you can see there the Newman Sound Choir where we sponsored their debut CD, and very pleased to say that that debut CD actually won Classical Artist of the Year at Music NL.

In the bottom left you can see a photo of one of our United Way initiatives. We talked a bit about United Way yesterday and how we really see it as a very valuable organization that ExxonMobil and the Hebron Project have a strong tie to. We support that through funding, through individual donations from the project team members, but also through the time that the project team put in themselves in volunteering in United Way activities. This activity shows some of the team members where they conducted a cleanup effort in the St. John's and Mount Pearl area earlier this year. So, this is really about supporting the communities in which we live and work.

Let me close by just reiterating our commitments and some of the themes that you've heard today:

We will successfully deliver the Hebron Project, and at the same time we'll achieve world class levels of safety, security, health and environmental performance.

We will provide substantial benefits to Newfoundland and Labrador.

We will build and strengthen relationships with a Newfoundland and Labrador community, and, ultimately, will create an offshore platform that we can be very proud of that will operate safely and reliably for many years.

Thank you, Commissioner.

COMMISSIONER (Miller Ayre): Well, thank you a second time, Mr. Parker, louder. Sorry about that. Yesterday, of course, we had no business arising. Today we have some issues that I would like to address to the operator and the operator may also want to provide some information, further elaborating some points they would like to make based on issues that arose yesterday.

So my first query is related to what to some extent was one of the bigger, more important take away from yesterday's meeting; namely that the Hebron Project would provide greater benefits than came from the Hibernia Project, despite the current understanding based on the information contained in some of the material produced by Dr. Locke that the actual benefits were higher in Hibernia compared to Hebron.

The Commission would like ExxonMobil to provide us with some breakdowns that would make that more clear, and specifically, we were looking for some tabular form or we would like to have some tabular form with specifics details with regard to the benefits, and, in particular, if we could have this broken down in such a way that reflects what you will find in the Development Plan, Chapter 10, which is entitled "Construction and Installation for Project Requirements". And that would allow us to separate the project period from production, that both the production period, the goods and services from labour, and provide a breakdown by the project elements to the same level of detail as the beginning of that chapter outlined them.

So that's basically what we would like to have, if that's perhaps.... I don't expect an answer now, obviously. No one could do that right off the bat but what we would like is if you could in the next while provide that and at a future session like this make it available to us so the public could understand this a little bit better. I don't know what other.... That's just not an immediate response but if you have some points perhaps it would be useful to hear them.

GEOFF PARKER: Yes, I think we understand the request and we will work on that. What we do have is a summary comparing the Hebron components to the Hibernia components because that was something you had the same thought that we did coming out of yesterday, just to try and explain that and to show why we are doing more on Hebron than Hibernia. So we do have a chart. I'm not sure if that's ready to load, Ted? I got it.

So this chart here is showing the Hebron Project and the Hibernia Project side by side. And what it shows is that we are planning to engineer and build more of the Hebron platform in province than was done for Hibernia.

Firstly, we will look at the GBS, the detailed design. For Hebron we are doing all of the detailed design in province. For Hibernia, it was around half.

Civil construction, we're doing all of Hebron here as was done for Hibernia.
Mechanical outfitting, we're doing all of Hebron here. Some of it was done here for Hibernia.

So that's the GBS. You can see the balance there where entire Hebron GBS, including the engineering, Hibernia not all of.

And then we look at the topsides and for the topsides we'll start with the detail design. Living quarters being done here for Hebron and we understand it was done here for Hibernia.

The drilling modules, the detail design being done here for Hebron. It was not done here for Hibernia. So more topsides engineering being done in province than was done for Hibernia.

Then we look at topsides fabrication, very importantly, we're planning to build the living quarters module in province. That was not done for Hibernia.

Other large modules, we are still going through our valuations of the other large modules. At this stage we will be build one or two other large modules in the province, Hibernia built one.

And then we have the other structures: the flare boom, helideck, lifeboat stations being done in province, as they were done for Hibernia.

So I look at this as saying from the point of view of the components that make up the platform we're building more of them here than was done for Hibernia. It is not to say that the numbers in terms of the overall percentage capture are wrong because, as we explained yesterday, those numbers can be skewed by issues around productivity, rework, and other construction issues that we're hoping to avoid some of those.

So this is in terms of the scope which is something that's more in our control. Pieces like the actual work hours, more difficult to control because they depend on productivity and many other issues which are hard for us to predict at this stage. This is the piece we can control and that's the bit that shows we're doing more than Hibernia.

COMMISSIONER (Miller Ayre): Thank you. I think that's useful for all to see. And as you say, it is complicated when you try to get to the numbers. There are lots of variables. But it is still a matter which we're all interested in. So, possibly, we'll even get a greater understanding. There was a point or two that arose here with regard to the living quarters that we also are interested in hearing about.

On some occasions the living quarters, it refers to assembly of the living quarters. On other occasions it refers to fabrication of the living quarters, and I think you said build the living quarters. We need to understand, if it's possible, exactly what is happening with the living quarters. I mean, are we getting prefab product that then gets built to spec and assembled here? Or is it a, basically, from scratch? We have brought in parts and so on that maybe necessary and build others? Something a lot more than is just assemble. I'm not sure when assembly starts and fabrication begins. Sometimes I'm putting a barbecue together, I certainly believe I'm in the fabrication phase, let me put it that way. (Laughter all around). So I understand there is a distinction to be made.

GEOFF PARKER: Yeah, I understand the question, I also understand the challenges. It's a gray area. To me the living quarters is an excellent example of the positive results from our efforts to provide full and fair opportunity for local companies, and, at the same time, facilitating technology transfer.

The way we are planning the living quartering quarters is we've identified two local companies, and we're teaming them up, we facilitated them teaming up with an international specialist in living quarters, engineering and construction.

Now, we're bidding to those two local companies. We'd prefer to have three companies bidding in most cases. In this case we've relaxed our rules a little to go with two because this is an item that we really do see potential for long-term sustainable benefits in the province. So we have these two local companies, each of whom have teamed up with an international fabricator and they're bidding for the engineering procurement and construction of those living quarters. That's what we call an EPC contract.

So in some ways it's up to them to decide the way they want to build the living quarters. It is not up to us. We do the FEED, the front-end engineering design, and say this is the living quarters that we want to have at the end of the day, and then we award a contract to the local companies who decide the way that they want to do it.

And so the answer to your question, in terms of how much will be done offsite versus onsite, we can't answer that at this early stage. The analogy could be if you were building a kitchen at home and do you build the cabinets at the warehouse or do you build them within the house itself? It is really up to your builder to decide that. So in this case the local companies will make that decision themselves.

COMMISSIONER (Miller Ayre): Thank you. I think that's something that we certainly have ... just, sometimes it is just, as you say, the certain phasing of how much is done and when there's a change from one category to another in terms of description. We just also want to make sure that we understand the GBS mechanical outfitting and the shifting that happened from, if it was originally intended from the shaft to the topsides. So if you could perhaps elaborate a bit on that. I don't know if you need to come back on this particular issue but we were interested in whether the scope of the activity in terms of local versus international had changed as a result of going to the topsides.

GEOFF PARKER: And I did talk with Bob from NOIA yesterday to understand what he was referring to when he was talking about moving from the GBS to the topsides.

What we have determined is that at the time of the Benefits Agreement, 2008, the outfitting was, for the GBS piece was in the GBS, and any topsides pieces were already in the topsides. So no movement of anything from the Benefits Agreement time onwards. The reference that

NOIA made was really comparing back to Hibernia 20 years ago where, that time, some GBS's were putting some topsides equipment in the GBS itself, because Hibernia it has a utility shaft, which is dry, and includes some of the utilities for the topsides.

The industry, in the 20 years since Hibernia was designed, is moved on from that, realizing that mixing those topsides and GBS facilities in the same yard isn't always the good way to do it. It introduces some extra complexity and it has caused delays to several GBS projects.

So the concept for Hebron all along has never had a utility shaft. It has always had this single shaft full of seawater and so it's not a dry utility shaft like they have on Hibernia. So, since the 2008 Benefits Agreement, and 2008, when we became the operator of the project, there has been no movement of mechanical outfitting from the GBS to the topsides.

COMMISSIONER (Miller Ayre): So was that always kind of, was it always considered an international issue. Was it always considered something to be done here?

GEOFF PARKER: The mechanical outfitting within the GBS itself has always been to be done here and will be done here. The utilities is part of the topsides, has always been part of the utilities process module destined for international.

COMMISSIONER (Miller Ayre): Okay, thank you. The other item is one that took a little bit of time to discuss yesterday and it had to do with the reporting of benefits that in which you collect data and provide it to the C-NLOPB on a quarterly basis and, ultimately, they provide information on how the benefits, local benefits are playing out against an understanding of what they were to be, and that that really only shows up in the annual reports in a very high level aggregation.

Do you see it, if they don't consider it proprietary and there is sufficient aggregation on a quarterly basis so that confidentiality is maintained, would that be a big problem? Would you see it as proprietary in a way that they may not?

GEOFF PARKER: It's not something I've put a lot of thought into. I guess our internal process is a setup to report according to the Board's requirements. That's what we're set up. We've asked our contractors to set up those internal processes to capture and report. And so I guess from our point of view we're set up and we'll continue to report according to whatever the Board requires.

COMMISSIONER (Miller Ayre): Yes. Well I think the thing is that when we asked for the information earlier on from the Board at one stage, we were told that the data that was in their hands on a quarterly basis was proprietary, and I assumed that the meant either you would have said it was proprietary so we were unable They didn't feel they could give us to us without checking back through the system. They came back to us and indicated that it

was proprietary. Now that could have been a decision you made or it could have been a decision that, in fact, you said to NOIA should we give this out? There may have well been that it was a question of thinking it through, for all I know. But, perhaps, if you just want to visit it again and see exactly what the circumstances are because it may be It is just a request to follow something that everyone is interested in, and if the data is really there and it is not proprietary, it is probably not critical.

GEOFF PARKER: We'll get back to you on that one.

COMMISSIONER (Miller Ayre): Yes.

GEOFF PARKER: I mean, our issues protecting the confidentiality of a proprietary nature of information given to us under that.

COMMISSIONER (Miller Ayre): Oh, I agree.

GEOFF PARKER: But also making sure that we are not compromising a competitive marketplace.

COMMISSIONER (Miller Ayre): Yeah.

GEOFF PARKER: But we'll get back to you on that one.

COMMISSIONER (Miller Ayre): Okay, thank you. You don't have anything more at this stage? No?

GEOFF PARKER: No. This was one that I was prepared to qualify and hopefully that really helps.

COMMISSIONER (Miller Ayre): That's great. Thank you. Well I think right now, then, we'll moving on to the next phase and we'll take a five- to ten-minute break while the next presenter gets organized and ready, takes a deep breath. Did you hear that, Doc? Okay. We're all looking forward to the next couple of presentations. So we'll take a five- or ten-minute break while City of St. John's and our esteemed Mayor are getting organized.

(Nutrition Break)

COMMISSIONER (Miller Ayre): Let people outside know we're starting again. I'm hamstrung. I no longer have a clerk, so I can't proceed at all. (Laughter all around) I'm clerkless. Nothing worse than being clerkless. Sorry about this, Mr. Mayor. We need you to do the formal receiving of documents and naming of presenters.

ED FORAN: Thank you, Mr. Commissioner. Mr. Commissioner, we have two organizations this afternoon to speak to us. The first one is the City of St. John's represented by Mayor Dennis O'Keefe and Elizabeth Lawrence. Elizabeth is the Director of Economic Development.

We had received, prior to the commencement today, a one-page document and then later, or this morning, I believe, we received a presentation from the City, and I guess that's what we're going to see here today. So if you could, Mayor O'Keefe, if you could proceed then. Thank you.

Oral Presentations

MAYOR DENNIS O'KEEFE: Well, thank you very much, and as you can see, here is our beautiful city, and for those of you whom I have not met, I am Dennis O'Keefe and I'm the Mayor of the Capital City of St. John's. The City selected by the Conference Board of Canada as one of the six best cities in Canada in which to live and/or relocate to. So, we are one of six, and, of course, our goal is to be one of one, and I'm sure, with the cooperation of all, we will reach that in the very near future.

I want to say today that the City of St. John's certainly supports the project and welcomes the many opportunities that it will bring and all of the benefits that it will bring to residents, not only of the city but of the region. There is no doubt that the oil industry is fueling our economy, and the metro area, St. John's and the adjoining communities, are certainly experiencing a tremendous amount of prosperity and a tremendous amount of economic growth and development fueled by the energy industry.

The Hebron Project is one of several, of course, that is contributing to this positive impact of our economy, and we want to ensure that the benefits, the returns to people who live here, to the residents, to business and to the community, generally, is maximized.

We pride ourselves, as a city, we pride ourselves in offering, to people who live here and people who come here, a quality infrastructure and all of the services that people desire to have quite a happy quality of life, quite an advanced quality of life. So we offer, within our infrastructure, all of these amenities to our residents and people who come here to visit.

We intend, as we go forward over the next number of years, we intend to plan, to plan well for a better community and to be a community that responds well and eagerly to the needs of its people and is responsive in all of the categories that people desire in order to have a better quality of life. We believe that a vibrant community, a welcoming community, a community that offers to people who live in the community and people who visit the community, if we can offer a quality of service, if we can offer a vibrant city in the sense of not only services but culture and heritage and entertainment then we believe that we will attract people to the city and we will attract investment to the city.

So the keyword that I will continue to emphasize today is the word "information" because if we are to plan to be a vibrant city in all of its aspects then we need information. We can only be the best that we can possibly be if we have, from all of the industries that are a part of the city, if we have the pertinent information which enables us to plan better. So information is key to what the city will be over the next five, 10, 15, 20 years as we meet the challenges that we surely are going to meet as our economy continues to develop.

There are many projects that are on the horizon; the Hebron Project is one of them. There are others. There is potential in terms of the Muskrat Falls projects. There are a number of major construction projects that are in the planning stages here in the City and a number of others that have been approved and are going forward as we speak, and there are a number of others, of course, that have yet to be announced but will be announced, hopefully, in the near future.

These projects together must, we must have the information as a city that will better enable us to understand the challenges that these projects are going to put to the City. In fact, we are in the process right now of hiring a consultant and that consultant, hopefully will better be able to assist us so that we can gain a better understanding at the magnitude of these projects or a better understanding of the magnitude of these projects and a better understanding of their impacts and recommendations as to how the City may go about dealing with these challenges into the future.

I can come back to the word "information" and I come back to the principle that the community ... And I guess I should define "community" because the impact of the Hebron Project and the impact of all of these other projects that are going to take place in the St. John's metropolitan area will impact on more than the city of St. John's. So that when I talk about community, and I won't get political about it, but when I talk about community I am talking about the St. John's regional area. I am talking about the City of St. John's and all of the communities and other cities that align its borders, because the industry doesn't recognize borders. The industry is global. The industry recognizes that this is a region in which it must operate and the benefits and the challenges and the problems are going to be regional. They are going to impact on all the communities.

So, when I say the communities and the industry have to work together for the betterment of the area, I'm talking about the communities surrounding the city, the city and the industry together. And it is only through that kind of communications, it is only through the cooperation and the planning and the sharing of information within the regional area and with the industry, it is only through that kind of flow of information and cooperation that we're going to be able to meet the challenges and create a community that will be positive enough and vibrant enough to attract all of the people, all of the investment, all of the skilled individuals that we are going to need in order for this industry to grow and develop.

So whenever I refer to “working together”, I am referring to the surrounding area and the industry. We need to work together.

The City is interested, really, in ensuring that the programs and the services that it delivers can continue to be delivered, and any of the challenges that we face can be mitigated. And again, this will be dictated by the flow of information between the communities, the *larger community* and the industry. This, then, will benefit not only St. John's but it will benefit employers who obviously are going to wish to attract new employees.

The information that we have from the review of the Socio-Economic Impact Statement and Sustainable Development Report indicates that the Hebron Project effect will be minimal in several areas. And while that may be so, if you combine it with other data that we have, and if you look at economic activity that will take place, and if you look at the changing data, there are some areas that we are now aware of that may be impacted more than was originally anticipated.

For example, in the area of recreation, we have increased, and in the region the number of facilities has increased over the last number of years; however, we are starting to realize now that within the recreational facility envelope there are certain areas that we are very concerned about because the demand that will be placed on them is greater than can be currently supplied. And an example of that would be programs such as aquatics, for example, and day camps, for example, because they carry a higher demand than we can presently meet.

So I come back again to the principle of information, and the free flow of information from the industry to the city and the community, because it is only if we have the information that we need to have in areas, like numbers of people who are coming into the area and families who are coming into the area and children and so on that are going to make demands on our recreational programs, it is only if we have that free flow of information then we can better plan and prepare to meet that particular challenge.

So again, I emphasize the fact that between the industry and the city, and between the industry and the larger community, there has to be an open and free flow of information.

Housing is another area that we need to be concerned about; and not only housing but office space. We all know the challenge, and we've known for several years now, the challenge that is being faced within the city by the absolute lack of vacancy rate when it comes to Class A office space.

Housing is also a very serious consideration. Housing starts back in early 2011 were forecast to be up around 1600, 1650 and, now, again, in the metro region, the metro area we're now

realizing, we know that the totals now are up around 1850.

So the challenge is, of course, again, the challenge is to supply housing that is needed and to supply Class A office space that is also in high demand by the industry. Part of that equation is affordable housing. In fact, as we speak, down at City Hall there is an Affordable Housing Forum going on today. And we have, in 2012, we have the Canadian Housing and Renewal Association Conference coming to the City of St. John's in order to talk about the whole issue and challenge of affordable housing, housing affordability and homelessness.

So, really, we have three, again, three other major areas of concern that are going to be challenged over the next number of years. One, the supply of housing; two, the supply of adequate office space; three, affordable housing, and how do we provide reasonable, affordable, quality housing to those who are not part of the new prosperity? Those who are not directly benefitting from the new economy, and, yet, those who have a right, as Newfoundlanders and Labradorians, and a right as Canadians, to have adequate housing.

Again, Hebron and the Hebron Project is just one part of that complex issue but it is a part. It is a factor, and in order for the City and other levels of government and private industry to deal with the issue again of affordable housing and to deal with the whole housing issue, we come back to the flow of information and how pertinent and how important that is. That we have to have engagement, we have to have dialogue, we have to have information coming from the industry to the City and from the City to the industry, and we have to work together in order to be able to deal with these problems and face the challenges.

The changing labour market is of concern also, and it is, it will, I was going to say it is expected, but it will bring challenges. It is bringing challenges as we gather here today. We, as a city, for a number of years now have had to deal with the challenge of increased costs in order for us to provide services, increased costs in order for us to keep our highly skilled people working with the city, our technologists, our engineers, our skilled individuals. We have the increased costs of many of the projects that we put out on tender. All of those, of course, being able to keep our people and being able to provide a level of service at a reasonable cost is becoming increasingly difficult as the economy becomes more prosperous and as the economy develops.

As the labour market becomes more competitive, both locally, nationally and globally, we, as a city, and other cities and towns in the region, are going to find it increasingly difficult to keep their professional and their skilled people, and increasingly difficult to bid a contract when, as a result of the tightening market, the contract doubles or the bid doubles.

We had an incident a few years ago where we were building a bridge in a part of the city, and we put out the contract and we costed out the cost of the bridge at about a half a million dollars, and we were willing to do the job for a half a million dollars. So we put the tender out. We had one reply, and the cost was two million dollars. So what do you do? We did

the only thing we could do. We knew the job wasn't worth two million dollars. And I can only figure that the company involved had that much work and other companies had that much work that they really didn't want to do the job. I suppose they felt, well, we really don't want the job but if we can get it for two million dollars we'll do it. So, we didn't build the bridge. And we took a lot of flak for that, you know. When you promise to do something politically and you don't do it, you tend to take some flak, and, of course, we were accused of a whole lot of different things.

Anyhow, we felt that it was imprudent to award the cost at two million dollars, and we waited a year and re-tendered it and it came in at a much more reasonable cost. But it is an example of how increasingly difficult it is, as a result of the growing economy, as a result of the impact of the Hebron Project and other projects and construction that is going on here in the City, the increasing difficulty it is for the City to be able to provide the same services that it must provide and to provide new services at a cost that meets the expectations of those who are paying the taxes that enable the City to do the projects.

All of these amenities, I mean we're talking about trying to create the best city that we can create, and we need to create the best city that we can create in order to attract the investment, in order to attract the industry, and in order to attract the kinds of people that the industry needs in order to carry out its project. So it's kind of like a Catch-22 situation. It is getting increasingly difficult because of the tightening markets and the labour markets and the amount of work available. It is getting increasingly difficult to provide the services and the amenities that make a vibrant city, but we have to provide for the vibrant city and continue to grow the city in order to be able to attract the investment and attract the people who will make the industry grow.

There is a concern by the city about local business and the opportunity for local business to be able to participate in the business opportunities that are going to be offered as this project and other projects continue.

Local and small business are the heart and soul, along with all of the other businesses, big and so on, local and small business are extremely important, because they are major employers collectively and they are an important part of our economy. In order for a small business to be able to participate in these major projects then the opportunity has to be provided for them to do so. That means that while a local contractor may not be able to bid on a two-million-dollar project, that local contractor may be able to bid on a project that is sized down so that it can meet the ability of the local business, which it may mean that a two-million-dollar project may have been broken into smaller amounts and smaller contracts so that local businesses can avail of the opportunity. And they must be able to access the opportunities because that, by its very nature, will enrich the City, will bring more people into the City and will help create prosperity. So the procurement packages need to be looked at and need to be sized so that there is an opportunity for small business to take advantage and

to be a part of the growing economy.

Research and Development is also very important. You know, the City has partnered with Memorial University and the Marine Institute and The College of the North Atlantic and all of the technology interests and companies that are involved and are part of the City. We've partnered with them for years to establish ourselves internationally as a city of ocean excellence.

We have come a long, long way. We have come, in five, ten years we've gone from being a city and a province that has hardly been a blip on that particular road map to national prominence as an area of the world where energy projects, research and development, ocean technology, harsh weather technology, where we are quickly and skillfully developing and creating innovation in all of these areas.

Research and Development in the long run has tremendous long-term potential for the City, the region and the province, and that has to be, and the opportunities for that to grow, have to be encouraged.

I would have to say, also, that the presence of companies like ExxonMobil Canada in the City of St. John's and its project partners already have had a positive benefit in our community. Aside from employment benefits and community business benefits really, there has been a terrific amount of community investment by these companies. They've contributed in many, many ways to creating amenities in the City of St. John's. They've contributed in a major way in terms of volunteerism and the impact that volunteerism has on the community, encouraging their staffs to be part of different community initiatives in the City of St. John's, and they've also played a major role in terms of charitable giving. This is an important part of the overall presentation of companies such as ExxonMobil Canada and other companies here in the City. The benefits have been extensive and they are here for many, many people to enjoy for years to come, not only in the City but also in the region and in the province.

We, at the City, have a strategic economic road map and, shortly, we will be announcing that economic road map to the public, and it is basically a map that will enable us to capitalize on our strengths and to capitalize on the opportunities that we have before us. It is about all of us working together to create a better St. John's and a better region, because you can't create a better region without a better St. John's, and you can't create a better St. John's without creating a better region. We're like Siamese twins. Whether people agree with me or not, we are like Siamese Twins. and as a region grows, the city grows, and as the city grows, the region grows. Now why it is that some people can't see that we need to grow together rather than compete with each other befuddles me, I have to say, because in order for us to meet these challenges, in order for us to have dialogue, meaningful dialogue with the industry, we, as communities, have to work together, we have to plan together and we have to benefit together for the benefit of the whole region. Not only for St. John's or not only for Mount

Pearl or not only for Portugal Cove-St. Phillip's, but it's us working together and us working together with the industry that will create the prosperity that can be created and will create the quality of life that we can have here in this area.

So, I guess it comes down to three things that I would like to emphasize before I finish:

One is dialogue. There has to be open, frank dialogue between the region and the industry. So dialogue is very, very important.

That dialogue secondly has to involve the exchange of relevant information. Information that we need as a city and a region in order to meet the challenges that we have to meet, and, by doing so, create the kind of environment that will benefit the industry because it will bring investment into the area and it will bring new people into the area, skilled people into the area who will come here as a part of the industry and who will set down roots here and become a part of this city and this region and this province.

So we have dialogue. The dialogue has to involve extensive and relevant information.

Lastly, it involves working together. We have to work together as communities and as communities we have to work hand in hand with the industry for our mutual benefit.

So, as we go forward, I look forward to this project and other projects, and the City certainly looks forward to working with the industry, for their benefit and our benefit. And I want to thank you for giving the City the opportunity to be here today and to be a part of an industry that has and will continue to change the face of the City and the province. Thank you.

COMMISSIONER (Miller Ayre): Thank you, Mr. Mayor, for that very positive description of our City. I'm almost wishing my taxes were higher. (Laughter all around). Almost.

MAYOR DENNIS O'KEEFE: We can arrange that.

COMMISSIONER (Miller Ayre): Almost. Now, I'm getting to the dialogue part. I was listening there at the very end to the dialogue thing because we're going to have dialogue.

I think much of your presentation clearly related to your concern to make sure you had a capacity study done of the region, which kind of a socio-economic statement of some kind so that you can collect data that extends not just to the city but through the greater metropolitan area, I guess you'd say.

So I was just curious. Is the work that you're doing that with this new person you're hiring, are you working with the surrounding towns? I mean, is there, in fact - I'm looking for a Breaking Story here - dialogue between Mount Pearl and St. John's or what? Are you all in on it together?

MAYOR DENNIS O'KEEFE: No.

COMMISSIONER (Miller Ayre): No.

MAYOR DENNIS O'KEEFE: No. Not as much as I would like. I mean, we are, through Elizabeth's department, and she has constant contact with economic development and people involved in economic development in the City of Mount Pearl and in the Town of Paradise and Torbay, but I would like to see that increased dramatically.

I guess it is fair to say on the political side of things there seems to be more competitiveness than there is mutual planning. In certain areas in the metro area there is a whole lot of cooperation when it comes to providing services. So, if you're looking at things like fire protection and if you're looking at things like waste management and water services and so on to the region, planning and cooperation is at a much higher level in these areas, I believe, than economic growth and development, than that particular area.

So I would like to see more of what you're suggesting take place in terms of our economic planning and doing things that we should be doing together rather than competing.

COMMISSIONER (Miller Ayre): I think, I mean I would agree that this is a good first step. If you can collect data and information that's common to everybody and it affects everybody, I think you're making your first step.

MAYOR DENNIS O'KEEFE: Yeah.

COMMISSIONER (Miller Ayre): While we're in that area on the socio-economic side of things, I guess it would be useful, just a few questions I might have the operator with regard to the socio-economic issues and there was a major, as we heard earlier, a major socio-economic statement associated with the Development Plan.

There is quite an impact in the various areas where you're doing your work, and this, perhaps for the first time, the impact on the economy of the province, especially in the labour area, we're going to hear about shortages and we're going to hear about wage increases, rental increases and so on that are occurring, and we have significant shortage issues. I mean, these aren't normal and haven't really been normal considerations and problems that we've had to face with some of the previous developments.

We know a lot about hardship but dealing with prosperity is something new to us, so we're struggling and trying to come to grips with some of these issues. And what I was wondering is the City is embarking on this particular study, and I know much of what you had in your Economic Impact Statement with regard to capacity and so on, it was updated information that goes back quite a ways. Are you in the process or would you be in the -- would it be part

of your plans to be in the process of updating the socio-economic data with regard to the areas that you've defined as being impacted by the Hebron Project?

GEOFF PARKER: I don't think we normally go back and update. What we do is in those assessments we identify the areas to focus on and then work with the local communities to focus on them. And so, actually, whether it's a big problem or a very big problem we're still working at, and so going back and actually redoing the data to me probably isn't something we would normally do.

COMMISSIONER (Miller Ayre): For example, you hear the importance that the Mayor puts to this kind of a project. Is the gathering of this kind of information, which historically has not been something which we would do here, it is a new phenomenon, would that kind of issue be something that some of the R & D type funds could be directed to?

GEOFF PARKER: That's a possibility. Let us think about that because that could give you some longer term guidance. I think in terms of the implementation, I like the Mayor's emphasis on timely information. And I think what I really hear is that where we can help you most, in ensuring that this positive impact we're having is even more positive, is by having that timely information. And so that to me is that realtime, and perhaps that's what the word "dialogue" implies is a realtime flow of information.

And so what I'm thinking out of this is perhaps we just need to make sure that we set up a process so that the right point contacts can have that flow of information. Even if it's just on an informal level but that help shape the City's programs that they need to do to really continue this positive impact that we're all talking about. Because as you said, Commissioner, with the prosperity comes challenges and we need to manage those challenges.

COMMISSIONER (Miller Ayre): Would you see, I mean you have a particular need for workers and yesterday we heard about processes whereby there was an attempt to get journeymen training more than one, some cases two, apprentices at a time. In that particular context, we then would have trained but not really experienced workers.

Are you expecting to have to put a plans into place that would help out with the process of training? Well, not so much training, taking newly trained people and trying to give them experience? Is that one of the things you would have to relax or you have to find a way to accomplish in a labour shortage market that we are facing?

GEOFF PARKER: Yeah. I think find a way to accomplish is the way I would put it. In terms of once an apprentice has finished his apprentice period, he's qualified, he or she is qualified, and then, okay, they are qualified, perhaps inexperienced, and so we have programs in place for the newly arrived people on site to go through, we call it a green hand program, where they can sort of work under the mentor ship of some others before they are sort of left to go

out on their own so much. So, for new people coming to work onsite we do have those programs for lesser experienced personnel.

COMMISSIONER (Miller Ayre): Yeah. It seems that this is the kind of thing that would be needed in a market of this kind.

GEOFF PARKER: Absolutely.

COMMISSIONER (Miller Ayre): Another question for perhaps that you can elaborate on with regard to the package that you're looking at, and I was talking a minute ago about how important it is to get the right kind of help to get something like this in place. Some of it is in dollars cents but you have a large, is there a large budget associated with this? Do you anticipate a fairly large expenditure, Mr. Mayor? If you're going to carry out a detailed capacity study and so on, I mean I think you're going to be in to some dollars here.

I mean, I don't know. You may have a budget but I don't know what the ideal budget would be. I mean, maybe that's what you're trying to find out.

MAYOR DENNIS O'KEEFE: What we have budgeted in the vicinity of 40 to 50,000 dollars. Now that may not be enough but that right now that's the figure that we've put aside for this kind of study that needs to be done.

As we get into it, as you get into a lot of things, oftentimes the cost increases. So, I would expect, I wouldn't be surprised if there was an increase over and above that, but that's actually our budgeted amount at the moment.

COMMISSIONER (Miller Ayre): Yeah. I mean, I would, instinctively I would suspect a major study of that kind that goes through the whole region, especially if you get everybody involved, would reach different levels.

MAYOR DENNIS O'KEEFE: And a lot of the information we have in-house also. Like I say, we're not starting from scratch.

COMMISSIONER (Miller Ayre): You got tax rolls and stuff like that, don't you?

MAYOR DENNIS O'KEEFE: Oh yes. We have everything.

COMMISSIONER (Miller Ayre): You know where we all live.

MAYOR DENNIS O'KEEFE: Yes. No doubt about that. No, hopefully it won't go too much beyond that, but if it does then the important thing is that we do the study and we get the information we need, and if the cost has to be adjusted within a reasonable parameter then so be it.

COMMISSIONER (Miller Ayre): Okay, thank you. I was wondering, the other thing I hear is the mayor mentions different numbers of people and how many, that the impact is well beyond what the employment numbers are. Do you have any sense or use multipliers that are common to studies you do and what you think the rollout of the business from your activity tends to be, the oil business? Is there a multiplier effect in effect that you can reference that the oil industry uses, generally speaking, for additional jobs?

GEOFF PARKER: I'm not sure if there is any specific oil industry ones. I've seen them in different studies, and I'm not sure if Professor Locke's, whether his report had any multipliers like that. Dave?

DAVE McCURDY: Similar to what Geoff said, I've seen them in a variety of studies and they range from four to ten kind of numbers; four times to ten times kind of range.

COMMISSIONER (Miller Ayre): I asked someone in Quebec once if they didn't get an engineering study related to Hibernia that had a potentially a thousand people working on it what the impact might be and he recounted and he said 58,000 jobs would be affected. Fifty-eight times multiplier. No hesitancy, just like that.

He kind of knew how to get people's attention; I'll put it that way. May not have had much economic justification.

I was also wondering if you could explain a little bit on when you're working on various aspects of your socio-economic statements and of other aspects, you used a system that you called VEC. Can you explain how that works to us?

GEOFF PARKER: Let me gather my thoughts on that just for a second before I come back to it because I was fairly new to that. I know the different, I know the different compounds but let me come back to you in just a minute on that.

COMMISSIONER (Miller Ayre): Okay. Well, I mean the issue for us is just so we can understand. I think you helped to pool information together and evaluate certain structures. So we'll wait on that particular one.

Mr. Mayor, I was also curious when you were talking about the way you see the city growing and you're surrounded. Are you borders at the limits now? Is that it? Is there nowhere to go but end of the ocean or what?

MAYOR DENNIS O'KEEFE: In the east, our development is just about reached its limit in the east end. So future development, and there is plenty of room, you don't have to worry, future development will take place in the west and will be out through areas such as Southlands, which will take the City right out to Cochrane Pond and out through the Goulds and out in the Kenmount Road area. So there is still very, very extensive amount of land in

which to grow and for developments to take place. In fact, there is a development under consideration now. It is a 20-year development in the west end of the city that will involve in the vicinity of five billion dollars' worth of the development over a 20-year period. So it's onward and upward.

COMMISSIONER (Miller Ayre): I'm confident. I'm confident.

MAYOR DENNIS O'KEEFE: So am I.

COMMISSIONER (Miller Ayre): I was also wondering when we were talking about this, some of the issues yesterday and we dwelled on the challenges that the new labour conditions, and you mentioned you'd worked in some detail with the various trades. I guess you have a full council congress, of trade congress, I think.. So that's a planning process that you would have in place. Do you go beyond that in trying to work out ways to solve the labour problems?

GEOFF PARKER: Yes. There is the 16 unions that form the development council that we worked with on the labour agreement. We also work with our contractors because they're out there close to the workforce and working other projects within the province as well. So they're our main avenues into understanding the situation and the ways that we may be able to mitigate that situation.

COMMISSIONER (Miller Ayre): I mean, I think this is a fairly interesting field. Just a couple of more questions with regard to the sort of socio-economic issues that we're facing at the moment. Just to sort of clarify, you indicated in your comments earlier today that sustainability is inherently for you, the fact that you exist here and the jobs play out over 30 or 40 years. And that's a pretty sustainable concept.

For people who are working here are, thinking, perhaps as the mayor is, well beyond periods like that, do you see the R & D component as the chief issue or do you see the actual trained, the people who get trained and either develop a business of their own or become engineers and move to other parts of the oil industry? I'm just interested in if you can elaborate on what you see as the concept of sustainability.

GEOFF PARKER: Well, in the context that we were talking about benefits from the project, I see sustainability as being where we have businesses that can continue to have work from our projects and other projects as well. So I think we want to try and avoid initiatives that will create bubbles and to me, that's why I'm trying to get away from the very short term, what's-in-it-for-me-today-type attitude, into think, well, let's think about something that can go more for the life of the platform and beyond as part of a sustainable industry in the province. So that's what I'm talking about, sustainability.

And while the Mayor was talking with you, another example came to me, because we often

think of, yeah, we have been talking a lot about what we're building from the GBS and the topsides, but I thought about the offices because the mayor mentioned the shortage of office space. And so to me a sustainable benefit that we've created is the Tower Corporate Campus office along Waterford bridge road where we have our GBS contractors located. So we worked with a local company who had fantastic a campus that had just become rundown, the old Sisters of Mercy Convent, and turned it into what is really a first class office building that will allow a lot of collaboration between the different engineers working on the project. Now, we'll use that for the next few years but, beyond that, there is a first class office space available for somebody in the City of St. John's. So to me that's an example of a sustainable benefit that goes beyond the immediate project needs.

COMMISSIONER (Miller Ayre): I've seen the facilities and been through the building. They are certainly being refurbished. People, having been out there, suddenly find themselves standing in what was the chapel. It is a different moment.

The other thing is we have a particular issue here with the fishing industry, and efforts such as One Ocean and so on. Is the difficulty we have in making adjustments to what was such a traditional industry, is that something that you become involved in at all and so on and work hard on?

GEOFF PARKER: I think as a project, our main contact with the fishers to date has been around in the Bull Arm area where we've been working very closely with them to work out ways to do our construction without impacting them, and in cases where we do impact them to work out ways to compensate them for that. So we have had a lot of consultation with the fishers.

COMMISSIONER (Miller Ayre): I think that's pretty much it for us. Do we have anything else? No. Okay. Sorry, go ahead.

GEOFF PARKER: I was just going to say, Dave could respond on, perhaps on the One Ocean but perhaps also on the VEC piece as well, if that would help.

COMMISSIONER (Miller Ayre): Okay, terrific. Yeah.

DAVE McCURDY: Just a quick add to the last question that was asked. The other involvement we have with the fisheries is through One Ocean that's an organization that's common in looking at how we interact together so we're on a common basis. That's a key role we play as well.

I would like to come back to your question about the VECs which for the socio-economic, it shows up, the VEC gets termed two different ways, depending on which of the studies you're looking at. So, for the socio-economic impact it's the Valued Environmental Components that are looked at.

And to go back to just a little bit background in the answer to this is that this is the fourth standalone major oil field development in the area, and, so, there is a lot that's already in place that gave a great wealth of opportunity for us to start and in this process go out and hold a lot of consultations with the parties that are involved with that: public, private government, et cetera. So, there was a lot of consultation that went into this and then that led to a lot of researching literature and understanding what's already happened in the past.

The three kind of main areas then that that pointed to look at was business and employment, which has been raised; community social infrastructure and services; and then the community physical infrastructure and services.

So, that was the targets that were to be reviewed and then the studies were done based on what kind of load we would see from the project, first on what existed there and what had been seen in the past. The results of that were that there were a lot of positive impacts to be seen. A number of positive impacts, including the royalties, taxes, et cetera. It will put challenges and pressures on the areas, but the result from our studies indicated they would be consistent with what's been seen in the past and pretty minor and things that could be addressed without being a significant impact.

It also, through our study, showed that a number of the things that the mirrors raise will be real but they are paid-for-service kind of things that come from tax, et cetera, that as they arise they will be able to be addressed through the application of the added income.

But, I think the point was well-made is that to be able to address things at the right time there needs to be a dialogue so the information needs to be there so that the right emphasis is put in the right place at the right time, and that was a factor that was raised in our review about the ways to mitigate the minor negative things. And I can get more detail; if that's the kind of level you were....

COMMISSIONER (Miller Ayre): Yeah, it is a methodology as well. I was a little bit curious about. I think what I'm seeing is that, as I indicated in my opening comments afterwards, the City is moving into an area but so is the whole province that relates to having an impact of a type we're just not used to. And I was really looking for in the scope of the whole arrangement with both, not just you but with the whole oil industry as to whether we could find ways where there could be support for activities that involved collecting data and whether that's a more vigorous interpretation along the lines of socio-economic studies, for example, that would typically not be supported under strict R & D unless it was like a new method of collecting the data, if you follow me.

So what I was really looking at was in the long run finding some way, and I realize that whether a project qualifies for money in the R & D package is a decision made by C-NLOPB, but at the same time, unless the proponents or the industry is prepared to say we think that that

particular study has some value, it wouldn't even get to the decision-making moment.

So I was just really thinking out loud that where we are reaching a stage where the need to gather quite accurate data and created amongst the communities and try to solve some of the newly arising problems, they may be high class problems because they are coming from more activity, but nevertheless they can problems that can be solved in better ways if we know what's happening. So that's really what I was looking around at.

Okay. Well, I think that's it. Maybe we've, hopefully we've timed our break, have we now, close enough to the arrival of the coffee pot? (Laughter all around). I'm working on it but I don't know. I think we're okay. We will take a break anyway. Thank you very much, Mr. Mayor. Thank you.

MAYOR DENNIS O'KEEFE: Thank you, sir.

(Coffee Break)

COMMISSIONER (Miller Ayre): Okay, I think we're ready to go. Okay, we're at the ready. I have my trusted clerk back. Marlin Perkins who used to do the Wild Kingdom used to start his show by saying, "I assume the dangerous position up in the tree while my trusty assistant, Doug, bobbed for apples in the piranha tank". (Laughter all around). Or something akin to that. "Wrestled alligators in the quick sand while I was in this dangerous spot up in the tree regarding the event." (Laughter all around). Are we ready? I'm not sure, I guess this will all be in the transcript. Oops.

GEOFF PARKER: Was that a safety moment?

COMMISSIONER (Miller Ayre): Yeah, it was a safety moment for Marlin Perkins up in the tree. (Laughter all around).

ED FORAN: Okay. On a procedural note, we'll commence our next presentation. We have Bob Tetford and Bob is here representing the Canadian Manufacturers and Exporters Association, and Bob is standing in for his divisional lead, I think Mr. Hare, is it, or whomever. Anyway, so Bob is here to speak for that and we welcome you. So, on you go. Thanks, Bob.

BOB TETFORD: Hi. Thank you. As I said, my name is Bob Ted ford. I'm Chair of the Board of Directors for the Canadian Manufactures and Exporters Newfoundland Division, and tied in with that, I guess, how I came to be there is my day job is I am part owner and full operator of Restwell Mattresses in Harbor Grace. So I am actually involved in industry that has done some business in the oil and gas industry

But I am here to present on the CME's stance on the Hebron Commission here, so we'll get on with it. The CME does have some expectations, I guess, from Hebron. It says here, "Every

possible and realistic contract and job to stay in Newfoundland and Labrador, bar none.”

You hear grumblings that a lot of the companies, some of these projects are too big for the Newfoundland companies to take on, and we say don't hand us that. We want the opportunity first to take it and if we can't handle it, then we can't handle it, but. Part of the CME's bread and butter is to help companies that are in the business of manufacturing to increase their capabilities and do more with less. So it is a part of what we do.

We also, the Manufacture Right Here and the Buy Newfoundland Commitment, the Buy Newfoundland Commitment is referenced to the Provincial Government's blue book. There is an entire section in there devoted to Buy Newfoundland, and we're thrilled to see it at the CME. And the Manufacture Right Here, I'm sure many of you are familiar with the Made Right Here logo. We are the proponents of the Made Right Here program. And I actually have it tattooed to me but that's an entirely different presentation.

We wish to see due diligence on the first and fair process. First and fair, that's fair and full and first consideration, obviously, are referenced to the Atlantic Accord stance on these developments.

A little bit about who we are. The CME and our affiliates, we're 10,000 members strong and we represents businesses in all sectors of manufacturing and exporting across Canada as well as some supporting services.

Collectively, we actually represent 75 percent of Canada's industrial output and 90 percent of our exports. So, we do represent a fair chunk of the economy, and 92 percent of our members are small to mid-sized companies. These small to mid-sized companies are still the backbone of our Canadian economy. And even in, you know, you imagine manufacturers as being these huge businesses. Not always the case.

We also head up the Canadian Manufacturing Coalition. So that would, you know, your forestry associations, oil and gas associations, agriculture, automakers, all these different industry associations that are in the business of manufacturing, they form a coalition and we are the Chair of that.

We have a national office in Ottawa and we have divisions in every province. Ours is out on Pippy Place out there. And we are the only Canadian business association with a full-time rep in Washington, DC. And I would think or I would know that with the New Buy American mantra that's coming out of Washington, I would say that that person is quite busy these days. As the slide says, “Canadian jobs depend on manufacturing.” I'll point out there with my little laser here, where are we? Mining oil and gas, 29 percent. What that slide basically says is if you took the manufacturing aspect out of the oil and gas industry, the processing, it's close on 30 percent of the jobs directly involved there.

I like the one on forestry, I guess. If it wasn't for sawmills and pulp and paper mills, there wouldn't be much point in going out and cutting down trees. So that's basically what that slide is saying there.

CME has outline some top priorities for future action on the Hebron Project. Obviously, I guess, you're hearing this theme "we want to create jobs and economic growth for the province". We also, these will be broken down in the later slides but education and skills development, making sure that our people are trained to do the work that is specific to this project.

Innovation, new product commercialization, technology adoption. Lean and productivity: like I said, it is our bread and butter. We help companies get up to speed on this stuff. And it is probably a good fit for Exxon and the Hebron Project for us to be able to broker that to the local businesses and also international business development and overall supplier development for the energy projects.

So create jobs and economic growth for Newfoundland. We are looking for the first and fair kick at these contracts and jobs, and reverse the out-migration. Well, we all know about out-migration, right.

Newfoundlanders are the – well, I won't even say, but we're well-known for having to move away to go to work. There is a half million people in Newfoundland and I would submit that there is at least that many people elsewhere. Well, I've often heard the joke, how do you spot the Newfoundlanders in heaven. Well, they're the ones who want to go home. So I'm sure that there is no shortage of Newfoundlanders available to do this work who would love to be here doing it.

The next one is a bit of a double-edge sword, the fair wages. Mayor O'Keefe alluded to that. As the labour market tightens, the wages are going to go up and this is going to become a more, much more competitive environment and a more expensive one to compete in; however, Newfoundland and Labrador is not interested in being the Mexico of Canada, the supplier of cheap labour, you know, with the lower standard of living.

My own experience, I wonder why someone would come to work making mattresses for \$15 an hour when they can be somewhere putting the sheets on the beds for 20. And that's going to be a challenge. But, I mean, I'm not going to stand in the way and say, well, don't let it come here. Obviously, we're on the up and up and that's pretty much the way it's going to go. So that's a balancing act. The labour market is tight and we're just going to have to see how that plays out.

CME is also interested in advocating for immigration policy expedition. So that basically means, it doesn't necessarily mean immigration but we can expedite bringing people to Newfoundland and setting them up here to do this work. There is lots of people in the US

looking for work. There is Eastern Europe, Asia. There is people looking for work who we would like to see come here. It is almost a foreign concept to see people coming in here but it would be great to see.

Education and skills development is a side of what we do. The CME is Newfoundland's leading provider of education in manufacturing and process, specifically lean manufacturing; basically moving on from the Henry Ford model of producing goods into the more Toyota-based model. Lean is basically a process that came from Toyota, which, in manufacturing circles, people would tell you that Toyota are probably the best manufactures on earth of anything; not just cars. This basically has derived from their process of manufacturing things and we teach that, and it is different than what people generally conceive as being traditional manufacturing.

Supply chain development: big piece in the CME lately with us has been HR. We are helping our companies with recruitment and retention. We feel that it is very important in today's labour market and we've been involved in that.

Also, we are strongly linked. We got partnerships with industry. Our members are industry, but we're also affiliated with MUN, College of the North Atlantic, Innovation Trade and Rural Development, HRLE, the National Research Council and ACOA. So funding for developments and knowledge for applied research, we're well in there with the bodies that can make that happen.

Innovation, new product commercialization technology adoption and productivity. I've heard it said that Canada kind of falls behind in innovation. It's not really true. Canada puts a lot of research or a lot of effort and funds into research and development. Where we fall down is in the actual commercialization of these processes. Sometimes we don't get them in the viable business ideas. We come up with all these wonderful ideas and then we forget to make money on them. So the CME, that's part of what we do. So that encompasses lean product and process design.

Lean welding, probably quite applicable here. That's a joint venture between the CME and College of the North Atlantic and industry to look for new and innovative ways of doing more with less with regards to welding to do a faster and better product which segs into advanced product and quality planning in general.

We're also linked to innovation and technology programs via government, both provincial and federally, and I've just kind of alluded to that with industry university and colleges.

International business development: where Hebron work is outsourced internationally, Tier 2, 3 and 4 work partnerships should be sought in NL first.

A bit of an interesting story sort of relevant there from my day job. We provided the

mattresses for the Hibernia Project, and for the topside. They sought us out and we were the local company and we were the people that they wanted to have make these mattresses.

So when they requested a price, we require a price from you FOB Korea. Really! You don't draw a number out of a hat. I don't know the exact price of them now, it was a while ago, but, while, the mattresses are \$200 in Newfoundland but you want to ship them to Korea. Well, once you add that on there, and it was beyond us why they would want to do this, but, anyway, I'm sure there was good reason for it but. That would kind of take us out of the market because I am sure somewhere between Newfoundland and Korea maybe there was someone would be willing to make these things a little bit cheaper, especially on the Korea side. And basically, it was my father who was involved in the business at the time and I guess it took a bit of what our former premier used to call "intestinal fortitude" but he refused to do. Here, look, they're \$200 in Harbor Grace or they are \$200 in Bull Arm. If you want to ship them to Korea so that nobody can sleep on them and ship back to Newfoundland, that's the price. You can come and get them.

I don't know. I thought that was a pretty big stance to take. But anyway, that's actually what happened. We produced them and they came and got them.

More recently -- so I guess that's where this stuff gets tangly. There is the Atlantic Accord and we're seeking to do business with Newfoundland first but sometimes once the small fish providing the small amount of product in a big pond, they can get tangled up in this kind of stuff that makes sense on paper but where the rubber hits the road and from our point of view is not necessarily making the most sense in the world. Or whether it makes sense or not, it is reducing our competitiveness in these projects.

More recently, there is going to be a work camp installed in Bull Arm and it's transparent and the bidders for that contract are posted on line. I can go, anyone can go on and see who they are. I know they're going to need beds. So I contacted them. And one company came back to me and said, okay, well, provide us with a price on mattresses. I said, well, what kind of mattresses are you looking for? What's your spec? What's your specification that you require? Well, we don't really have one. Okay. Well, I tell you what, I will start in the middle of the road and we can go up or down from there. Oh, I got my red light on, so.

COMMISSIONER (Miller Ayre): No, don't pay any attention. You're getting good now. (Laughter all around)

BOB TETFORD: Oh, I'm getting good now. Oh okay, all right. Well, thanks. Just getting to the good part of the story. Yeah. So anyway, I had one company come back to me and say, well, can you price these mattresses for New Brunswick which is fine. It is Atlantic Canada. It is within the boundaries of fair and full consideration and first consideration, but to ship those up there and to ship them back, well, okay, the mattress, I'm going to price the middle of the road, say \$200, we can go up or down from there, depending on what kind of

quality you want. Well, let's just run some hypothetical numbers. They are \$200 to Bull Arm. Okay, but if you want them in New Brunswick, they're going to be about 220 because I got to pay the freight to get them there. That opens up the competition maybe to, say, a company outside of Atlantic Canada, say Quebec. Nothing against them but I mean they could possibly come in with a price for, they could maybe ship their 200-dollar mattress to New Brunswick for \$210.

Okay. So, the Atlantic Accord is upheld. I was given first and full consideration, but at the end of the day they were - hypothetically because it hasn't happened yet and I hope it won't - but they basically got them, this company came in cheaper, landed in New Brunswick, they shipped them to Newfoundland. Everything is upheld but at the end of the day you could have had them for \$200 landed in Bull Arm. So you paid \$10 more for them and you got them from somewhere else. And that's where I see this stuff is getting tangly.

So anyway, enough of my rant. I will go back to put my CME hat back on now. All right, so moving on.

Seek Newfoundland companies through international trade opportunities spinning from Hebron. Maximize the CME ties to EDC and BDC export opportunities. Yeah. We help companies link into the EDC and BDC, that's to develop the product and also some assurance the EDC is export development, that's insurance against getting fooled up on an international sale and not getting paid for it by one of these other contractors.

Anyway, supplier development for energy projects: Manufacture Right Here and Buy NL, as I said earlier, I Cosmo, I couldn't even tell you what that stands for, but, basically, what it is, is like a dating service. It exists between buyers and sellers. If you're looking for a particular product, you can go in here and you can find someone who makes it. We offer that.

Supply chain development programs and advocacy. And, like I say, we're the leading provider of manufacturing education and support on the island. So helping all these guys get these contracts. Quality, occupational health and safety, environmental lean and Six Sigma, these are all aspects of manufacturing support that we provide with regards to education to local companies.

So the last slide, working together. I feel the CME can contribute to the Hebron Project. We can enable industry consultation and outreach. We assist in the review of programs and initiatives. We can act as an agent for program delivery through NRC and IRAP. That's basically, yeah, innovation insights. Basically, we can, we tour other people's factories and see how they do stuff when you got that kind of a working relationship and you're tight with manufactures you can do that. And the Smart Program is a Federal program.

Establishing lean training for regulators and program administration. The other thing I would like to add in there before I finish up is we've been involved in what's being made in

Newfoundland for a long time. So if you're ever wondering is this available here? We need, we need temporary shelter to set up a lunchroom out onsite or something like that. Is there anyone in Newfoundland doing that? No, I don't think so. Well, there is. There is Dynamic Air Shelters in Grand Bank. They make military spec, blast resistant, inflatable shelters to do that. We would know that. So we pretty much know whatever is made here. So we can help you out that way.

Anyway, I'm gone over my time and thank you very much for having me in and hearing from the CME.

COMMISSIONER (Miller Ayre): Thank you, Bob. Just a couple of questions. One of my questions was do you have any specific recommendations for improving the involvement of local companies in the Newfoundland benefits package, but I guess you had a couple of examples of how sometimes these processes really do get complex and, you know, common sense seems to disappear in the process.

I think that's somewhere speaking out like that and making it fairly clear, especially even where there may be numerous examples of that, that CME is aware of. That would be useful, I think, for us to know here, and I'm sure that you're interested in some of the actual on-the-ground experiences which really obviously don't make sense but it is a process, somewhere it in the process it is the way the quote was being done.

BOB TETFORD: Right.

COMMISSIONER (Miller Ayre): So I think there was valuable, very valuable input there. I did want to ask you another question. In terms of the CME and the comment about immigration and so on, do you think that you're likely to see many Newfoundlanders come back in the face of the skilled worker shortage that exists here, or do you think that a two- or three-year proposition here in Newfoundland to come back ,whereas where they are they might see a more long run consistency in the job they're doing elsewhere, are they likely to stay or are they likely to come back? At what point do someone come back, when they think they got two years' worth of work ahead of them or three or four? What is likely to bring a skilled worker back?

BOB TETFORD: That's a great question. I guess it depends on where you are in life, too. If I was a 23-year-old welder up working in the oil patch and I had a chance to come home for two or three years, I'd probably jump on a plane and come home. If I'm up and established with a family and uprooting and coming home is going to be more difficult, you're probably not going to do that for three years' work. That's how I would see it.

You've mentioned that some of these benefits, once the initial project is built is going to be a 30-year project. I mean, I think, I think any Newfoundlander that, and Labradorian, that would have the opportunity to come home for the potential of a 30-year project, I mean,

that's almost a lifetime of work or a career's worth of work, I would say. So once we're into that side of it, for sure.

With regards to the development phase, I would think that it would, you know, at what point do you decide to stay where you are away or come home I would think would depend on just your personal situation.

COMMISSIONER (Miller Ayre): I was just curious. The question I wanted to ask was the extent to which someone like yourself as an operator, and we've now heard from the Board of Trade, for example, we've heard from NOIA and we've heard from the CME, as you're interfaced with these organizations almost always regular managerial personnel dealing with the associations or are there cases where internally you have someone who's allocated to do sort of, I won't call it community but industrial relations kind of outside of your actual regular business activity? The effort to go out and find out what's happening which might turn up some funny things like what happened with the mattresses and so on? No, I was just interested in whether you're in some projects that get to the point where you have to allocate dedicated staff to working with associations and community involvement that is not of the charitable nature but is much more just trying to find out what's happening on the ground with the particular individuals and making sure you're spending daily, have daily interface with the community?

GEOFF PARKER: Yeah, we do have dedicated people for that. We have a supply development coordinator on our staff. They work with a lot of the organizations, including NOIA. And then we'd have somewhat like NOIA who is very active in the local community. We'd have management meetings with them regularly as well. And then even on a site basis, for example at the Bull Arm construction site, we will have a community liaison officer on our staff at the Visitors' Center there to talk with the very local community.

So the answer, I think, if I understand your question, is, yes, we have people on staff and, yes, we do also leverage a lot of these organizations.

COMMISSIONER (Miller Ayre): I don't have anymore questions. Did you have any comments you want to make before we wrap things up here today? Or perhaps you have some questions of Bob?

GEOFF PARKER: No. I mean, I appreciate the input. I would say we're definitely committed to providing the full opportunity to the Newfoundland and Labrador participants, and so we'll continue to make all reasonable efforts to eliminate any barriers to their participation.

I think it looks like you've got some good networks there that we might be able to tap into as well. So that's something that caught my attention. That you've really got some good networks out there to help us when we're looking to identify capability. Thank you.

BOB TETFORD: Okay, wonderful. Thank you very much.

COMMISSIONER (Miller Ayre): All right, everyone. I think that's it for today, unless I'm missing something. Am I doing all right, Shannon? Okay, thank you. Well-trained person, I'd say.

I think right now that we've come to the end of this session, and we're back in St. John's next week and we're on the road in Marystown and then Clarendville over the next couple of days. So we're going to get busy packing our stuff up and we'll be seeing each other down in a different size room with different circumstances.

I think it's interesting, I was told that in the, when the hearings took place, as you can imagine for White Rose and for other, when you're in a smaller community that has specific industries that are absolutely vital to their existence, the hearings take on a slightly different focus. And so we're looking forward to seeing what we can learn in Marystown and Clarendville.

All right. Thank you, everybody.

-END OF DAY 2-