

**Hebron Public Review Commission**  
Hebron Development Application

**Record of Proceedings**

Public Review Sessions, Day 3:  
General Session

23 November 2011

Clarenville Inn  
Clarenville, 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):** All right, we'll all get started now. There was a small delay. We actually had some trouble with the mics we've been using, we were using elsewhere, and we've just got these new mics in place. And all the wires are taped down, so that's a part of the safety moment. We've also, as part of the safety instructions here, I just remind everyone to look around the room and see where the exits are, and keep in mind where you'd plan to head for should there be issues. Loud clanging of bells and other warnings. Okay.

My name is Miller Ayre, and on June 24th I was appointed as the Commissioner of the Hebron Public Review. I give an opening address now that includes a fair amount of information about what we've done to date so you understand that we've followed the procedures. Following, that we will have a presentation by ExxonMobil of the particular details that apply to this particular session, and, in general, an overview of the project.

So that's how we have opened every session. Of course, it's all of us who are involved on a regular basis get to hear these presentations, these opening statements because they are given part of every session. So we're beginning to get used to them and almost have them memorized, but I'm still going to ready mine because I'm not quite that good.

I got the first part right, "my name is Miller Ayre". (Laughter all around). By way of introduction, I have a business background in publishing and retail predominantly, and, as a matter of fact, for many years we had a retail outlet here in Marystown. I'm reasonably familiar with coming back forth to this area and of the business activities and the population, and so on, of the Burin Peninsula.

I have served as the Chair of the Canadian Chamber of Commerce, and as a Member of the Institute for Research and Public Policy, and I'm currently National Vice-Chair of the Canadian Forces Liaison Council.

I am very pleased to be in Marystown for the third session of the Hebron Public Review. Marystown is the largest town on the Burin Peninsula with a Marine Industrial Park situated in the deepwater port of Mortier Bay. Other significant labour and infrastructure resources are present in this area, including Kiewit Offshore Services and Harris Drive Business Park is appropriate to hold the Hebron Public Review Sessions here where growth is a way of life. It is good to see interest in the sessions from the business community in the Town of Marystown.

I would like to take some time to discuss the Public Review process that we have followed to date, and our purpose for these sessions, the procedures to be followed, and the expectations we have.

## Process

I have been appointed by the Canada-Newfoundland and Labrador Petroleum Board pursuant to Section 44 of the Accords Act to conduct a comprehensive review of the Hebron Project, the Development Application, and to include considerations of human safety and environmental protection, incorporate it into the proposed design and operation of the project, the general approach to the proposed and potential development and exploitations 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, having 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 the Benefits Plan Guidelines.

Questions of energy policy, jurisdiction, the fiscal or royalty regime of governments, the division of revenues between the Government of Canada and the Government of Newfoundland and Labrador, or matters which go beyond the potential or proposed development of the Hebron Significant Discovery Area are not topics under review.

The Board completed a completeness review of the Development Application sent to them on April the 15th, 2011; including the Development Application Summary, Development Plan, a Socio-Economic Impact Statement, and Sustainable Development Report, and other supporting documents.

A Benefits Plan is also part of this Development Application, and this was submitted to the Board on May the 10th, 2011. The Board deemed that the Application was in compliance with Regulations and forwarded the documents to me for Public Review on August the 25th.

I have 180 days from August 25th when the Development Application was forwarded to me. At that time my final report must be written and submitted, in effect, by the end of February.

Following the Review Guidelines and our Operational Procedures, including appropriate notice periods, I requested public input during two stages of the Review Process: during the Additional Information Review, which is now complete, and during the Public Review Sessions which are in progress.

On September 30th, I submitted a request for additional information to the operator, ExxonMobil Canada, taking into account questions asked from the public and from the Commission. After carefully considering the information received, two weeks later, from ExxonMobil on October the 14th, I was satisfied that we had been provided with enough information and clarification to proceed with the Public Review Sessions. So on October the 21st, I gave 30-day notice that the Public Review Sessions, on the merits of the Hebron Development Application, would commence begin on November the 21st.

These Public Review Sessions are designed to hear what you, members of the public, are interested in and for you to interact with ExxonMobil. The sessions also give ExxonMobil the opportunity to explain the project to the public.

Individuals and groups will present their views at the sessions as scheduled. All questions will be directed through me, as Commissioner. I also ask that as issues and questions issue, if you want to speak, if you want to ask questions we reserve this for those who have registered. So if there are individuals who are in the room who will want to ask questions later on, they should provide a registration form to Shannon, who is sitting in splendid isolation on the left, and she will take your name, get all the information, and then later at the end of the session, assuming there is time, we will proceed with your request to address us.

The atmosphere for the sessions will be less formal than a courtroom but there will be some formality. And we're following the process laid down in our Operational Procedures which are based on Chapter 6 of the C-NLOPB Development Plan Guidelines, my Terms of Reference and the Mandate.

I said in St. John's and I will say it to you here, in view of all of that I like to summarize the matter as being the following: "There will be no swearing in, but there will also be no swearing on."

### **Overview**

To give you an overview of today's routine: After my remarks on Procedures and Process, ExxonMobil will have 30 minutes to discuss the project. There will be opportunity after their presentation for outstanding questions arising from the previous day's session, then we will hear from the scheduled presenters. Each presentation should take 15 minutes but many of our speakers have requested for extra time in advance, and, where possible, this has been granted to them.

Each presentation will be followed by a question-and-answer period. And as I indicated earlier, if we have time at the end, individuals who did not make formal submissions will have a chance to ask questions. We will also be trying to notify speakers of the amount of time they have till it ends and we do have boxes in which we have green, yellow and red lights. When you see the red light, it fundamentally means time to wrap up.

If anyone present is not preregistered, as I said earlier, make sure you register with Shannon during the afternoon.

During the sessions, members of the media who are present, I would ask them to make sure that the media uses the areas dedicated to them and allocated. That you can move around but please do not interrupt the members of the public who are attempting to address the

Commission.

Each session is being taped. Transcripts of each session will be prepared. Speakers are reminded to please identify themselves by name and organization for the transcriptionist when they speak and subsequent times when they speak, unless it is likely the transcriptionist might know your voice. I think the transcriptionist, at least to this point, knows my voice and Mr. Geoff Parker's of ExxonMobil.

Unofficial transcripts of the sessions will be provided typically within 72 hours. They will be unofficial. When we see the transcripts and get it a chance to make some obvious errors that may have occurred, wrong names as to who spoke and so on, we will provide, ultimately, an official transcript.

Before starting the presentations, I would like to introduce the members of the Commission who are with me here today:

Ed Foran, our Project Manager, is sitting next to me. He is also the Official Clerk for these proceedings, then will take the various submissions and will also introduce the people presenting.

Shannon Lewis-Simpson, our Communications Manager, who will be liaising with the presenters. All media requests and questions should also be routed through her. And, as I said, Shannon is over here.

So I think, now, that's the end of my remarks. Geoff, if you would like to come ahead and give your presentation. After that, we will be calling on the presenters.

## **PROPONENT'S PRESENTATION**

**GEOFF PARKER:** Thank you, Commissioner. Good afternoon. Great to be in Marystown again. First, on behalf of the entire Hebron team I would like to 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 has been done to date. During the session, we will 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 effort -- sorry, we will also cover the tremendous benefits that

the Hebron Project represents for the people of the province and the entire country, and we 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've been with ExxonMobil for more than 20 years. During that time, I've worked on gravity base structure projects in Europe, Australia and Russia. Most recently, I was project manager of the Arkutun Dagi GBS in Russia, where I managed that project from early concept through to substantial completion of construction.

Dave McCurdy is the Hebron Project's Technical Manager. He's a mechanical engineer who has spent nearly 30 years working in the International Oil and Gas Industry with ExxonMobil. He 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's 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've conducted a detailed Environmental Impact Assessment which included significant interaction with external stakeholders through the Comprehensive Study Report process. We've worked diligently to ensure that our project is having a positive socio-economic impact.

The Hebron Project Development Application has been assessed by the Board and deemed to be complete for the purposes of this Public Review. That scrutiny will continue during 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 royalties 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 into the future.

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. And 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'm here with members of the project team, some who have travelled from St. John's for the day, 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, and 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 few 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 we like to summarize the commitments of the Hebron Project team in terms of successfully delivering the Hebron Platform, and while delivering that platform, achieving world class levels of safety, security, health and environmental performance, and providing substantial benefits to Newfoundland and Labrador, 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 a Development Plan and a Benefits Plan. Some of the supporting documents include: The Concept Safety Analysis, the Socio-Economic Impact Statement, the Comprehensive Study Report and the Development Application Summary. I

will talk more about some of those documents in this presentation. They are all available on the Board's website showing on the screen. If you just want to get a summary, I'd recommend the Development Application Summary.

You will hear us talking a lot about safety throughout the development of this project and the operations of the Hebron Platform because safety really is a core value for ExxonMobil and its co-venturers. It is important to us that everybody who comes to work on the project gets to go home at the end of the day in the same healthy condition that they were in when they started the day. We've already started programs towards that end. We have initiatives underway within our engineering offices and then we've now started some construction at Bull Arm. Leading up to that over the last few years we've been working with many of the local contractors to outline our safety expectations and to provide them with some of the tools that we use to manage safe construction sites. We've held safety forums here for the last three years and we've been very pleased with the attendance from contractors all over the province who have come along to share their learnings, their experiences and to benefit from some of our learning and experiences in other parts of the world.

So very happy with the partnership that we're starting to develop with the local contracting community to help all of us achieve our vision of "*Nobody gets hurt*".

But safety is not just about construction safety. Part of the Development Application includes the Concept Safety Analysis. That analysis identifies major hazards associated with the Hebron facility, taking into account the basic design concepts, layout, and intended operations. So this is way back at the early conceptual stage of the development.

Having identified those hazards, we assess the risks to personnel and the environment resulting from those hazards, and then those risks are addressed during the detailed design phase. So you can think about the Concept Safety Analysis as being the first step in a structured process of risk management that will continue throughout the engineering, construction and operations phases.

Other efforts that we put into designing a safe platform include the examples showing in the photograph there of wave model testing of a scale model of the GBS at the wave basin here in St. John's. That's there to determine the wave loads so that they could be another one of the inputs into the detailed engineering so the platform can be designed to resist the wave loads.

The Development Application also describes the petroleum resource and the Offshore Platform Facility. The resource was first discovered in 1980, and then further exploration, in 1999, discovered Pool 1, the largest of the five pools in the Hebron resource. Pool 1 is a heavy crude which makes it different to the lighter oil on Hibernia, so the heavier crude is a little bit more difficult to produce. We anticipate the resource being somewhere between 660 million barrels of oil and a billion barrels of oil estimated recovery.

The Offshore Platform Facility, we talk about that in two pieces. We talk about the gravity base substructure, or GBS, which is the concrete piece, mainly below the water; and we talk about the topsides, which is the drilling and production facilities above the water.

The GBS is a single shaft GBS, in this concept, and there is 52 well slots that provide the drilling down through the shaft of this GBS. The base contains 1.2 million barrels of oil storage and the topsides facilities are designed for 150,000 barrels a day of oil production. You can see, also, that there is a very large amount of water injection on this platform. The water injection is required to inject water into the reservoir to maintain the pressure so that we can produce that heavy oil.

This slide provides an overview of the construction plan for the Hebron Platform. On the left-hand side of the slide you can see in yellow the various topsides modules. So we have the Utilities Process Module, we have the Living Quarters Module, we have the Drilling Support Module, and we have the Drilling Equipment Module and the Flare Boom. So all of those modules are fabricated and then they come together at integration pier at the Bull Arm construction site where they are joined together to form the complete integrated deck.

At the same time as that topsides construction is going on, as showing on the left of the screen, the GBS is being built. So the base of the GBS is built in the dry dock at the Bull Arm construction site, and when the base piece is complete it floats out to what we call the deepwater site, close by the Bull Arm site in Mosquito Cove.

The GBS is completed in the floating phase, and once it's complete, the complete topsides integrated deck, the piece that we formed over here, is floated out on top of the GBS to form the entire Hebron Platform.

So the complete platform is floating there, it is towed out to the Hebron field and then set down on seabed under its own weight; hence, it's called a gravity base structure. The platform is connected through pipes to the offloading system from where the oil can be offloaded to tankers.

Now we've been putting in a lot of study over the last few years to determine locations where we can build some of these drilling modules on the site here. I know it is of great interest to Marystown because you do have one of the province's major fabrication sites here in Marystown. And what I am really pleased to be able to say is that our assessments of the Marystown fabrication yard, the Kiewit fabrication yard at Cow Head, shows that those assessments indicate that that yard will be capable of building the largest module ever built in Newfoundland. And that module would be the drilling support module. That module exceeds anything that the Kiewit yard has ever built before and we feel that we can complete that to meet the project requirements.

The other modules that we show here, the Drilling Equipment Module, we have not yet found

a fabrication yard in Newfoundland with the capacity to build that module. So, what we're doing is, today, going out with an expression of interest, again, to see if we can find a fabrication yard within the province capable building just that module. Now, our initial plan had been to build both the modules at the same site. All of our work here with Kiewit in Marystown concluded that we weren't able to build both of the modules at the same site. So now we're looking to see is there somewhere where we can build a smaller module, what we call the Drilling Equipment Module, somewhere else in Newfoundland and Labrador.

So that's that expression of interest that we've put out today. But, to me, the really good news is that this large module, the Drilling Support Module, will be more complex than what's been built before and it will be larger than what was built before here at Marystown.

The other piece there, the Living Quarters Module, we are planning to build that at the Bull Arm fabrication site. And again, that would be the largest living quarters ever built in the province. So I think between those two very large modules we'll be using the two largest fabrication yards in the province, and we feel that there will more than enough work; in fact, we'll be stretching the capacity of the province with that work combined with all the other work for the Hebron topsides and GBS that will be formed in the province.

This time line shows the overall time line for the Hebron Project starting from last year when we commenced FEED, or the front-end engineering and design, leading through to filing of the Development Application earlier this year, and then earlier this year, a few months ago, we started the site preparation work at the Bull Arm construction site. Later this year, we will be expecting the approval of the Comprehensive Study Report, the Environmental Impact Assessment for the project, and then next year we will be starting on detail design of the topsides and the GBS. We would expect that to be followed by Development Application approval and then project sanction by the co-venturers.

GBS construction would be expected to be complete around the end of the year -- would expect to commence around the end of the year, and then in 2013 the topsides fabrication.

So if we think about that topsides fabrication, and I referred to some of that on the previous slide, the process we go through there is we've been assessing the capacity of what we think the various fabrication facilities are capable of, then we try and enter into a contracting process with the various fabrication yards.

So that's really our next step in being able to completely confirm our construction plans by, we've done an assessment. We then have to solicit contractual proposals from the owners of those yards that differ to, we don't own the fabrication yards, and so then we would expect to finalize the contracting details and finalize our plans.

So that construction would commence in 2013, then the GBS and the topsides would continue their construction processes until 2016 when we would start the hookup and commissioning.

That's when all the pieces came back together at Bull Arm to form the complete platform, leading up to first oil with our target date for that of 2017.

The Benefits Plan also outlines our approach to benefits, and that approach covers both the development and the operations phases. And by the development phase, I mean both the engineering and construction. The phase that we have commenced now and will be moving on with for the next, say, five years. Then the operations phase, importantly, goes for 30 years. So, in terms of the, if you think about the entire Hebron development, we have about five years upfront but then the ongoing operations go for more than 30 years. So that's why we like to focus on long-term sustainable industrial benefits so that we can leave a lasting legacy in the province.

We would like to further advance the development of industry in the province to utilize and build on the capability from previous offshore projects. And to that end, we've had extensive and ongoing consultations to shape our benefits efforts and to talk with the supply community so we can understand the best places to target long-term sustainable benefits.

The Plan addresses the Atlantic Accord Acts and the Benefits Agreement, and addresses the measurable commitments made in the Benefits Agreement.

The Plan itself addresses several key areas. We have the project management which covers our organization of the overall delivery of benefits. It covers supply development. Talks about our plans that we have already been implementing for information sessions with various suppliers, particularly focused on helping them understand our expectations for safety, quality, and to describe our procurement processes.

The plan covers procurement and contracting, and how we will be providing full and fair opportunity for all participants from Newfoundland and Labrador and from Canada.

It covers our plans for education and training. Example would be shown on the photographs here where we show the process labs at The College of North Atlantic that we have funded so that we can be training people to work on our offshore platform once it's in operation.

It covers research and development where we are working with several local institutions on developing technology and coming up with better ways to execute our offshore platforms.

The research and development, you can see we've been spending money on scholarships. And there is many initiatives underway so that we can come up with some really cleverer ways so we can be more cost effective in our developments.

The Benefits Plan also covers our efforts and diversity. We have diversity scholars at Memorial University and The College of North Atlantic, and we also support several organizations involved in diversity initiatives. What I do like about these various initiatives is

that may make good business sense. For example, the education and training helps us develop the qualified workforce that we will need. The research and development will give us cost effective ways to do future projects. And the diversity piece really is there to expand our pool of qualified resources to work on our projects and in our operations. And we can do that by drawing on underutilized parts of the workforce and at the same time get the added benefit of having a more diverse team which studies have shown are higher performing teams.

Environmental management is another piece covered in the overall Development Plan, and our approach to environmental management is to implement it through systems, policies, processes and tools consistent with ExxonMobil's operations integrity management system that I mentioned earlier.

Our environmental initiatives are really targeted towards our overall goal of *"Protect Tomorrow.Today"*. Our initiatives are based on sound science and they take a life cycle approach. And by that, I mean they go right from the early initial planning, through concept selection, through the design construction operations, and even through the decommissioning of the platform. We want to actively manage environmental risks and we want to focus on continuous improvement. So really the environmental management is around a structured approach starting early. And to just describe that in a little bit more detail, we have the example here, where if you start on the left-hand side of this chart, way back in the early project concept stage where you're looking at different concepts for the development we'll do a Project Specific Environmental Analysis. So in this case for the particulars of Hebron we would look at the various concepts available. We would then move through a concept selection process and come up with our chosen concept and that would feed into the Environmental and Socio-Economic Impact Assessments. In this case, the Environmental Impact Assessment is the Comprehensive Study Report. So that is specific so this project and starts to identify and implement the mitigation measures against the various risks. Those measures are then put into the Environmental Protection Plans, and in this case we have an Environmental Protection Plan for the Bull Arm facility and we have an Environmental Protection Plan for the offshore part of the development. Those plans include training, prevention and mitigation. For example, we've already begun the training of the various people working at the Bull Arm facility around the Environmental Protection Plan, moves on to environmental monitoring and reporting, and then also covers environmental and regulatory compliance assessments. So all of these pieces from the early concept, through the various planning stages, and then into the implementation and assessment phases lead to our ultimate goal of environmental protection and *"Protect Tomorrow.Today"*.

We also spend a lot of effort, a lot of enjoyable effort on the community investment programs. Many of our project team are from Newfoundland and Labrador and others are living here for several years, and so it is important to all of the project team to support the community in which we work and live. Some of the initiatives shown on this slide include, on the left-hand side, girls from the St. Mary's school in the Bull Arm area where sponsored them in the Techsploration program, and we provided funding and we provided role models who work

with these girls to be able to show them what a career in engineering and technology is all about.

On the top right there, we have the Dunne Academy Robotics Team. And that team won the provincial competition and then we sponsored them to go to the international competition in St. Louis.

We also support the arts. This is the Newman Sound Men's Choir where we sponsored their debut CD which won Classical Artist of the Year recently at MusicNL. So we were very pleased to be able to support such a high quality initiative.

And in the bottom left we show some of our participation in United Way. United Way is something that ExxonMobil and the Hebron Project support in terms of funding, in terms of donations from the project team, and then, also, in terms of time spent by project team volunteering on United Way initiatives.

So we do see it as important to be part of the communities in which we live and work. One example, recent example here in Marystown was last time I was here we were providing a hovercraft to the Fire Department so that they would be better positioned to be able to respond to emergency situations where the hovercraft could travel over water, over land, over ice able to be able to rescue someone perhaps if they were out doing some of their recreational activities. I do hope that hovercraft is not being used in a real situation yet. We would like to think that it gets training and doesn't get used, but you're just never sure what could go wrong that would require that sort of emergency response.

So I would like to close by just reiterating our commitments to successfully deliver the Hebron Project, and while doing that we will 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 the Newfoundland and Labrador community, and, ultimately we will create an offshore platform that all of us will be very proud of that will operate safely and reliably for many years. Thank you, Commissioner.

**COMMISSIONER (Miller Ayre):** Thank you, Mr. Parker. Is my mic back on now? Yes, it is. Geoff, I wonder if you or David could give us a bit of an overview. The Drilling Support Module you say is the largest that's ever been built in the province, but could you go over this a little bit, indicate the purpose and what the main components are the kind of tonnage or approximate time to build, number of people working on the project, something like that?

**GEOFF PARKER:** The Drilling Support Module would be the largest module ever built at the Kiewit Marystown yard. It's still in the front-end engineering and design phase, so knowing the exact tonnage isn't there, but it will be over 3,000 tons.

The Living Quarters Module would be the largest module ever built in the province in terms of

a Living Quarters Module. And so between the two of those modules, the combined tonnage of these would be 30 percent greater than the tonnage that was envisioned at the time of the Benefits Agreement.

So during, as we talked about earlier, during the front-end engineering and design, as we further define the platform, we have found that the weight is greater than what it was back in 2008 when we signed the Benefits Agreement. So the total amount of work required for that offshore platform has grown a lot. So this Drilling Support Module is quite a bit larger than what was envisioned at the time of the Benefits Agreement, the Living Quarters is quite a bit larger. Back then, the Quarters was perhaps for 160 people. When we looked at it, the optimum for the operations, and the drilling phase in particular, we have a Drilling Quarters more of the 200 to 220 range. So both of those modules are a lot larger than what they were at the time of the Benefits Agreement. Because one of our targets under the Benefits Agreement was to build the Living Quarters Module and the other two modules within the province, so what our work to date has shown is that we believe there is capacity to build both the Living Quarters Module and the Drilling Support Module. We haven't yet been able to find the capacity for the Drilling Equipment Module.

**COMMISSIONER (Miller Ayre):** So, the ignorant question I'm really asking is: What does a Drilling Support Module do? Okay. That's for my benefit now. Everyone else may know.

**GEOFF PARKER:** So the drilling system on the platform consists of those two modules, and the Drilling Equipment Module is the one that has the actual, the derrick piece, you can see there that you'd be familiar with from seeing drilling rigs, and that's where the equipment that turns the drill bit, if you like, is housed within this. But then in the Drilling Support Module there is all the pieces, like the mud system, many of the pumps, all the pieces that support the drilling itself are in that Drilling Support Module. So that's why it's actually larger than the Drilling Equipment Module and it is more complex.

What we could do is provide you with a list of the typical equipment that's in the Drilling Support Module just so you get a better feel for what the function of it is, if that would help.

**COMMISSIONER (MILLER AYRE):** Okay, that's good. And, I mean as I understand it, there is a possibility that with these ones being larger and the capacity requirements being more, could that, might that drilling module be outside the province? Is that possible?

**GEOFF PARKER:** The Drilling Equipment Module, we don't know that yet.

**COMMISSIONER (Miller Ayre):** No.

**GEOFF PARKER:** That's where we have done initial assessments where we went out to all of the fabricators in the province with an expression of interest for the Drilling Support Module and the Drilling Equipment Module. Having done that, we narrowed that down to the Kiewit

Marystown yard. We worked a lot then with Kiewit to determine what we felt the available capacity was and what they felt the available capacity was and came to the conclusion that in that yard we could just do the Drilling Support Module. So then, that leaves us with the Drilling Equipment Module that we're still trying to find a home for, and so we've put out another expression of interest, just within Newfoundland and Labrador, to see if there is anything we've missed in terms of some capacity to do that module by itself.

**COMMISSIONER (Miller Ayre):** Would it be likely to stay within the Canadian, would you say?

**GEOFF PARKER:** If we could not find a fabrication yard for it in the province, we'd then be following the Atlantic Accord Act which would require us to provide full and fair opportunity for all Canadian companies. So they would be given full and fair opportunity to participate on a competitive basis. So I couldn't say whether it would be in Canada or not. I just could say, yes, we will give them full and fair opportunity.

**COMMISSIONER (Miller Ayre):** Yes, okay, great. Thank you.

**GEOFF PARKER:** Thank you.

**COMMISSIONER (Miller Ayre):** Our schedule shows that the Schooner Regional Development Corporation would be the first to present today but unfortunately they are not able to present today, having, nevertheless, provided a very valuable written submission and a very good one. We're still hoping that somewhere during the hearing process we'll be able to get that presented, but, in any event, we certainly have received the written submission and will consider it, like we do, other written submissions which we have received which were never intended necessarily to be followed by a presentation. But, in any event, we will, just for the information of those here, we will be endeavoring to perhaps arrange another time that we could hear the presentation. If not, we certainly have the detail that was intended to be provided from Schooner.

So, with that in mind, I think we'll now call upon the Burin Peninsula Chamber of Commerce to present to us. Is Ian here? Ian is here. Great. And following that, we will have a break and then we have, I believe, at that point we'll have the Town of Marystown provide their presentation. So everyone is looking forward to a break when you're finished. (Laughter all around).

**IAN EDWARDS:** We won't be long.

**COMMISSIONER (Miller Ayre):** Well, we're going to have some questions and I'm sure you're going to have answers and other concerns. So we'll be, we'll be interested in -- I mean, we founded all the Chambers of Commerce that have presented had a lot of interest when they're talking to us in involving their members. So, we're very interested in what you

have to say.

## ORAL PRESENTATIONS

**IAN EDWARDS:** Great, thank you. Good afternoon, ladies and gentlemen. My name is Ian Edwards. I'm Chair of the Burin Peninsula Chamber of Commerce, and at the out start I would like to apologize for my voice a little bit. I've been fighting off a real bad flu this past week or two. In any event, we will persevere and get through this.

I would like to thank, take the time to thank our guests from out of town for providing us with an opportunity to come forward and make a presentation and other stakeholders in this region. Hebron Project will be many things to many people but a lot of our grass root members realize that it will not be the end all be all for those guys and there will be a life after the construction project.

An outline of our presentation today - once I figure out the buttons. Basically, there would be an Introduction of the Burin Peninsula Chamber of Commerce, our Development Philosophy. We certainly would like to acknowledge the efforts of the Hebron Project team to date, and maybe look at some of the opportunities that this will present to our members and the general public in this region, and of course we would like to discuss some of our issues or threats that we think may be associated with it and then a brief conclusion.

Basically, the Burin Peninsula Chamber of Commerce is the voice of business in this region. It just this past few years that we expanded our geographic boundaries to include everything south of Swift Current; so basically the entire Burin Peninsula area. We have 85 member companies at the present with a very diverse membership, many of whom, through the Marystown operations and the Hibernia operations, have extensive experience in dealing with the oil and gas industries.

Our Board is made up of 15 members and our governance model is an election every year with staggered elections so that we have continuity within our Board.

We have a staff of two full-time people, plus a staff of ten indirect employees. Our annual revenues, including any programs that we participate in, is approximately \$750,000 a year. So it is quite a busy office. We are a partner with the Eastern Supplier Development Alliance, a founding partner, and we look forward to contributing, in a meaningful way, to that alliance.

Our services include networking opportunities, business assistance, education, social programs, community programs, special events, group benefit packages and advocacy on behalf of our members, of course.

Our Development Philosophy and some of the Chamber, I guess, we're in on this a little bit in discussions on how we should do it, the key words here that we like to keep in mind are

"balance", "sustainability" and "coexistence". So the Burin Peninsula Chamber of Commerce are pleased that the development, that any developments, big or small, should be undertaken with sustainability in mind. To achieve sustainability the project must balance the current needs with the needs of future generations. Doing so, will permit coexistence of industrial projects and quality lifestyle for future generations, similar to what many Newfoundlanders and Labradorians enjoy today.

We encourage all stakeholders in the Hebron Project to exercise due diligence and caution as they set out to place such a massive manmade structure in our fragile marine environment. We are concerned for the safety of our people, the protection of our environment and a traditional way of life that has sustained Newfoundland and Labrador for many generations.

We like to acknowledge the efforts to date, and certainly this would go on favorably acknowledging the efforts to date, and first and foremost would be the Newfoundland's Benefits Package which has been discussed a little bit earlier today. It is hard to argue with millions of hours of work taking place in our province with first opportunities to Newfoundland companies and with modules being dedicated to Newfoundland and Labrador, and certainly with engineering also taking place in the province.

It is also hard to argue with diversity strategy to provide opportunities for women and to level the playing field for women and less privileged sectors of our society so that they can participate in this project.

Also, we like to acknowledge the occupational health and safety programs that Exxon and other stakeholders with brought forward. A zero harm for our workers, one where everybody goes home safely is something not to be sneered at. It is a different mindset for many Newfoundlanders and Labradorians, and you see that in many projects, especially where you find that a lot of the workers don't like reporting near misses and things like that because they think it's going to be frowned on, and but we all know a report of a near miss is probably an accident prevented tomorrow. So there is still a mindset to have a change but hopefully that will happen.

We would like to acknowledge the environmental protection plan. A minimum environmental footprint, habitat compensation plans, and, certainly, coexistence with other industries. I think I'm gone a little too far.

**COMMISSIONER (Miller Ayre):** Take your time.

**IAN EDWARDS:** The Burin Peninsula Chamber of Commerce is working diligently to ensure that its member companies and our region, in general, maximize every potential benefit that it can from the Hebron Project. We are doing this by promoting awareness and communication, providing education and assistance, collaborating with other regional groups and promoting preparedness. The Burin Peninsula Chamber of Commerce holds regular

information sessions for its members such as lunch and learns. We do assistance with training programs. We've participated in a knowledge based seminars that have been on the go through the ESDA, and we've provided a forum for proponents to present our members and to the general public.

As mentioned earlier, we are a partner in the Eastern Supplier Development alliance, an Association of Regional Economic Development Corporations and Chambers of Commerce around the Placentia Bay area. This alliance is focused on creating business opportunities relative to the Hebron Project for businesses in our region, and that region would be the Placentia Bay area. We realize that the Hebron Project is bigger than just the Marystown region or the Burin Peninsula region.

We also believe that preparedness is key. Membered companies must be prepared to move quickly when an opportunity arises. It is too late to be looking to become CORE certified or to develop a quality management system or health and safety management plan, which are the basic building blocks that have to be in place early in the process. It is too late to do that when you're trying to respond to a proposal call or an expression of interest, when your attention should be set to technical and commercial matters.

Some of the opportunities that the Chamber can see coming out of the Hebron Project certainly can be classified as direct and indirect opportunities. The Hebron Project will present themselves in many different ways. There will certainly be many indirect benefits associated with this project. And by indirect, I mean value coming into our economy that's not a result of a direct contract with Exxon or one of the key stakeholders involved in a project. It would be survey services or going out for a meal with your family and things like that. So there would be lot of indirect spin-off benefits.

And we anticipate, given our history with the oil and gas industry, that there would also be many direct benefits that would come to some of the companies involved in our region. These would be companies that would enter into contracts either Tier 1, 2 or 3, or whatever, with ExxonMobil or other key players involved in the Hebron Project.

Membered companies in our region, in general, look forward to being able to participate in the Hebron Project. But many of them at this point in time it is safe to say they are not quite sure how to get there.

Many membered companies can supply anything from key tags, door plates to engineering services, to quality assurance services, to client representation on structures, to actual fabrication and construction.

The Town of Marystown has been prepared and preparing for this project for many years through the development of Marine Industrial Park and other facilities around the town. The region has prepared by establishing a community that can offer a lifestyle that maintains the

benefits of rural Newfoundland while at the same time providing educational possibilities, health benefits, public services on a par that many have become accustomed with in urban areas. And just recently the local union here at the Kiewit facility has irradified a five-year collective agreement, one that would ensure labour peace for any projects that would be undertaken here in relation to the Hebron Project. We believe that we've done our part in getting ready.

Some of the threats, and maybe "threats" is too strong a word but I guess it depends where you sit from, threats or issues that the Chamber may have with the Hebron Project, and first on this list is our environmental concerns. The Hebron operations will be conducted in a hostile marine environment that has sustained Newfoundland for many generations. We have to ensure that occurrences such as the leak in the Gulf of Mexico and the more recent leak just off Brazil a few days ago do not occur here.

The Burin Peninsula is home to five fish plants, one secondary processing plant, a fish cannery and a variety of aquaculture sites, all of which support traditional lifestyles. Any increase in the activities on the Grand Banks or traffic in Placentia Bay has the potential to jeopardize this. We must be ever vigilant to ensure that these traditional and emerging renewal resource industries are protected from catastrophic failure caused by an oil spill. We encourage all the Hebron stakeholders to participate with any initiatives such as the Smart Bay Initiative or Collaborative Stewardship Initiatives similar to what Vale are now doing in Placentia Bay.

We acknowledge that there is an issue around human resources. There is no doubt that human resource during the Hebron Project will place enormous stress on local companies. If they are fortunate enough to secure a direct contract then they have to acquire the proper human resources to make that happen. If they are working from an indirect perspective then they look at the Hebron Project that's maybe a threat in that these large glamorous jobs would tax or be seeking out our employees and having them become part of the Hebron team instead of the local industry.

The Burin Peninsula Chamber of Commerce believe that it may be possible that some companies wishing to avail of the Newfoundland benefits package may establish addresses of convenience. There is many companies that have slugged it out here in Newfoundland and Labrador for many, many years during good times and some bad times, and we wish to acknowledge that a company of convenience coming in, setting up in a basement with one employee or something like that, and then as soon as the project is finished they move on to the next project in some other part of the world. So we would like for the stakeholders to be aware of that.

From our perspective of small companies we would like to see as much contracting out as possible. It is fine to say that we have a large industrial relations or, excuse me, industrial benefits package where we are going to supply millions and millions of hours of employment. It would be nice to do that, have that employment provided through the local companies as

much as possible. That way there would be some sustainability for other projects in the future when this one is finished.

We'd like to congratulate everyone on their efforts to date. Local companies are willing to go the extra mile to ensure that a project such as the Hebron Project is completed successfully. Much of the expertise needed to design, build the Hebron Project are available locally. We encourage Exxon and other stakeholders to avail of this as much as possible. Sometimes it is much easier for a procurement officer to pick up the phone and call the company that they last did business with on the last big project as opposed to searching out local expertise and suppliers. This paradigm must be challenged at all levels of the Hebron Development Project. Doing so will see the creation of a diverse economy that can support the oil and gas energy into the future. All we ask for is a fair opportunity to participate. A little patience as some of us ramp up and we assure the stakeholders that this investment in the local business community will be returned tenfold. Thank you.

**COMMISSIONER (Miller Ayre):** Ian, I don't know if I introduced you properly or not. Are you the president of the?

**IAN EDWARDS:** Yes, that's correct.

**COMMISSIONER (Miller Ayre):** Well, thank you for getting out of your bed of flu, so to speak, and coming here. I don't know if you've infected our computers a little bit. They weren't responding the way they should have to the various clicks. Is that all straightened up now, sir? Was that something in our system here? Have we got it? No, don't take the blame too quick. Okay.

I wondered, Geoff, if you could just explain a little bit about the sort of experience your members and many of them are small, I know, the kind of experience they would have with major contracts. Would they have typically been involved with shipyard activities on major builds that were going on here?

**IAN EDWARDS:** Yes. I believe some of our members certainly, you know, we have members here in the audience, we have Bren-Kir who supplied the offshore and are supplying the offshore, and this is the home base at one point in time for that company. It was founded here in Marystown. Looking around, we look at Dynamic Air Shelters is here. Certainly quite capable from this region to supply temporary shelters for anything that you guys may do. I don't want to blow my own horn, but we do a lot of offshore navigation and positioning, dimensional control activities. Kiewit, I guess, are indirectly represented here today; obviously a big stakeholder in this. And supplying that operation during Hibernia days created a lot of opportunities for a lot of businesses around the entire Peninsula, really.

**COMMISSIONER (Miller Ayre):** So there is a good deal of experience in the area?

**IAN EDWARDS:** I believe there is, yes.

**COMMISSIONER (Miller Ayre):** I wonder, Geoff, if you could just speak a little bit about the awareness and education programs that have been put on here or could be put on in view of the actual work you're anticipating? I mean, I would think at some stage they can get much more specific. It would be interesting, I'm sure, for the Chamber to hear of what typically you may do in this kind of situation.

**GEOFF PARKER:** Yeah. Some of these sessions have been happening already, even in the last few weeks, and delivered by ESDA, I think, which was also mentioned in the presentation. Those sessions, some of the items that they were training, for want of a better word on, safety, quality, procurement processes. What are some of the other topics in that? There was a full agenda that went out to advertise these programs and then they were very well attended. So they're being delivered by ESDA and we support that initiative.

**COMMISSIONER (Miller Ayre):** Yes, okay. Good. So, I was wondering, let's just say you've got a good experience here and you've got the module that will be built here. At the same time there is probably opportunities in Bull Arm or so forth for local people, but is it typical that your members would migrate up into Bull Arm and typically seek out work there as well?

**IAN EDWARDS:** Oh, I think without a doubt that any members here would certainly have a go at Bull Arm if the opportunity presented itself.

**COMMISSIONER (Miller Ayre):** There is no shrinking violets.

**IAN EDWARDS:** The whole concept of the ESDA is that the region has sort of realized that there is many small companies, and maybe getting together collectivity we may be able to take on a role and foster a joint venture between two companies, or something, that would enable us to participate and so it makes it more meaningful. So it not so much as a threat to the people in Clarendville or Arnold's Cove or Placentia, it is more of a collaborative approach that we're promoting towards this. So, and we would expect, I guess, if Kiewit is successful in negotiating a contract with Exxon, or whoever, Worley, on the drilling platform or the module, companies from Clarendville or Placentia would probably be knocking on doors here.

**COMMISSIONER (Miller Ayre):** Geoff, it strikes me that we've heard a few times the difficulties that smaller bidders sense when it comes to getting involved. Can you outline the process a little bit that perhaps by way of getting to the stage where a smaller, the stage at which a smaller bidder might end up in the process?

**GEOFF PARKER:** So I think it begins back several years ago where we started our information sessions just to make everybody aware of the project and the opportunities that may be there. So at least it gets on everybody's radar screen. So we held supply development information

sessions in 2009, 2011, and then we had open houses in 2009. And again, Marystown is quite a centers, as you've picked up. So Marystown and Clarendville are two of our big target areas for that. Very well attended by over 200 people in those sessions. And so that's really to raise the awareness and then the procurement information session is to explain some of the procurement processes. So then once everybody is aware it's a matter of them deciding, looking at the opportunities as they come up, and the opportunities will be varied over the next several years of all this work, to say where in this procurement chain they would most appropriately come in. And so we have the first place to go is the websites for the two major contractors, KKC and WorleyParsons, explaining the different bids that would be added any particular time, and then for those where they meet the criteria, you'd have that bid list and the people that then the smaller supplies can go to.

Now, it doesn't, the system doesn't go all the way down through this cascading tiered subcontracting system, and that's, I think, where some of the organizations can help by facilitating their members' knowledge within there and getting that awareness within their members of even if they're not ones that would be at the level appearing on the level site, they can know what's happening within that business community. Because that's what I've really noticed in the province is everyone is pretty plugged into what's happening. Yes, we have a website but I find people really know what's happening anyway, and so I think there is a lot of the perhaps smaller suppliers they know who's bidding on these jobs even at a subcontractor level, and so that's had a, and because they know the project is happening and they know our processes they can then come in at the appropriate level in the supply chain.

**COMMISSIONER (Miller Ayre):** So, I mean, would the smaller bidders know that something is coming? They know that something is already in play if they see it on the website at a higher level.

**GEOFF PARKER:** Yes.

**COMMISSIONER (Miller Ayre):** Would they have had to provide any of their own sort of presentations of their skill sets? I mean, most people I would say if they are really small will say, no, I'd like to supply drapes or whatever, you know. So I want to make drapes to your office building. So at what stage do they leap in or how would they know when to leap in to do something like that? I mean, that may be a bad example.

**GEOFF PARKER:** No, I understand the question.

**COMMISSIONER (Miller Ayre):** I mean that's a really small, these are a small party.

**GEOFF PARKER:** Yes. And I think it gets down to even at the higher level we're providing the full opportunity to the local companies and then those larger local companies I would expect to already have strong networks with other local companies. I think the issue we're trying to avoid is the one that you alluded to around having an international engineering

company just calling up the normal person who does that work for them, who they did it on the last job in Russia or whatever, and so we're trying to get away from that by having the processes that provide the full and fair opportunity to the local companies because I think once the higher levelled, higher tiered subcontractor is local I think there is a very, very strong possibility that the lower people in that would also be local. The one that we want to watch is at the higher level when it's not a local company it becomes more difficult for them to understand what's happening. That that's where they have to go and look at the need list for that.

**COMMISSIONER (Miller Ayre):** So they need to watch for local companies that they've typically dealt with before showing up on the website as having been involved in or in the process of being involved in bidding and so on?

**GEOFF PARKER:** Yes. Or they go to, if the particular package is not one that ends up with having the local company interested or qualified, then at least they have the higher level contact to know where that work is going.

You know, it is not a perfect system and as we talked about we have had some teething problems on the whole website issue as we've set up this procurement process. I think one of the key things we've done here that would really help this compared to previous projects is to establish the procurement offices in St. John's. And so having that procurement done out of the province as opposed to out of some of other country I think really helps because then the people working in the local office are typically people from Newfoundland and Labrador and so they also know, they already have the phone list to know who to call for a lot of these things.

**COMMISSIONER (Miller Ayre):** I just have another couple of things that I'm kind of interested in and that I wanted to hear a little bit about. Have you got any examples of the address of convenience or is that just something you're? It is actually the first time I've seen in presentations that particular concern. So I was just curious if that was a conceptual issue or whether it's something that you're aware of having happened.

**IAN EDWARDS:** It has been brought to my attention by some members of the Chamber. I don't think it would be appropriate to go naming names at this point in time or anything.

**COMMISSIONER (Miller Ayre):** No, no, I'm not worried. I didn't mean that.

**IAN EDWARDS:** But it has come up on several occasions. I know that there was a discussion around the ESDA table at one point in time about a similar issue. So it's not totally new. It's not beyond the realm of possibility that you know there is companies in Houston that offer certain specific services, or whoever, that know that Newfoundland is a happening place right now with regard to the oil and gas and Long Harbor and all the rest of it. And you see these emerging companies that come out of the woodwork and maybe have a very small

presence here and generally they last for the project and then disappear.

Mr. Commissioner, if I might add to that. There is a couple of concerns, I guess, that we have that I probably didn't get across totally. One is when local contractors, they submit submissions to say the EPCM contractor, or whomever, and they send in a letter of introduction and you go through all the bells and whistles and you do your seven-minute elevator pitch to someone at a procurement fair or things like that. You send all this information in, you prepare for it. We're not seeing feedback from that, those activities. Like you submit these applications. You take a day out of a business schedule or several days to attend sessions like this and if you want to get local companies involved it has to be a two-way communication. It is not good enough that a company would submit, take the time to write up something and submit it to someone and it goes somewhere. It's not acknowledged that it's received, and it's also nice to know if, for example, a company a large company involved in the Hebron Project, and I'll speak, if they don't plan on contracting some services out and I'm knocking on the door offering those services, let me know. Don't drag me on for a couple of years. I'm busy and I'll look at you as a threat instead of an opportunity because if you're going to be taking care of those services in-house chances are you're going to be looking for resources which will probably come out of my shop or someone like me. So don't drag us on. Let us know. If you're going to do this type of work in-house and you're not going to contract it out, let us know. We're big boys and girls. We'll move on and react appropriately. But don't just drag us on with it.

**COMMISSIONER (Miller Ayre):** Did you want to comment on that?

**GEOFF PARKER:** I was just going to say on the addresses of convenience wasn't an issue I really heard of but I understand your issue of people coming in and perhaps not being a sustainable long-term company or. It's a balance because you're probably trying to grow the industry and would like more companies to come in but you want people who are here for the long haul. I would point out that an address of convenience doesn't give anybody an advantage in the actual bidding process. Once we're bidding we are just looking for the most competitive bid and it's not like someone with a local address gets an advantage in a bid evaluation over somebody without that. So it's not something that tilts the competitive field but I understand your concern. You just wanted to make sure people are here for the long haul.

**COMMISSIONER (Miller Ayre):** Just one last question, Ian. And we've tried to get a feel for this but can you comment on the notion that given the labour shortage, skilled labour shortage that we have here and the number of people from Marystown and elsewhere that you would know of who are living in other parts of this country, no doubt, what would lead them to come back? Would they need to see a year's work or four years' work or three years' work? What is a sense? Is it an age-driven thing? Is it a family established elsewhere, I'm not coming back? What are the things that lead to some of the people who've left Marystown coming back to Marystown or to the Peninsula?

**IAN EDWARDS:** I think the answer to that is, not to oversimplify it, but our biggest way to bring our folks home from the Peninsula and from the Province is if we can create an industry that's sustainable and long term and get clear of this project-based developments. And we live it here year in and year out in the Marystown region and on the Burin Peninsula. Where one year you have so much work that you're bringing in people from outside, and people are renting their houses out for 4 and \$5000 a month and living in your cottages, to where you have nothing; where there's zero people employed or near zero employed in a major fabrication facility. So if we could get rid of that project-based mentality for that and get into an industry-based mentality, I think the people would come back home, and it will also prevent people from moving away. But you have to have long-term sustainability for your families.

**COMMISSIONER (Miller Ayre):** Otherwise people just take the view, they've moved somewhere else and they see a career and they stay. Yeah.

**IAN EDWARDS:** Yeah. I don't think a lot of young families are going to come home for six months' work or a year's work. I think it is going to take a little more than that.

**COMMISSIONER (Miller Ayre):** Well, I think, Ian, thank you very much and to the Chamber we'd also give our thanks, and I hope you're feeling better soon.

**IAN EDWARDS:** Thank you very much. Have a nice day.

**COMMISSIONER (Miller Ayre):** We'll now break for a few minutes, and after that I think Sam Synyard is going to speak on behalf of the Marystown, the Town of Marystown. Okay, thank you.

**(Coffee Break)**

**COMMISSIONER (Miller Ayre):** I'm calling on our session clerk, Mr. Ed Foran, to introduce the next speaker in case people don't know who it is.

**ED FORAN:** Thank you, Mr. Commissioner. So we have Mayor Sam Synyard here representing the Town of Marystown, and we thank Sam for taking the time to prepare, to deliver his comments. And I understand from talking to Sam that his comments, we will get a copy of your comments follow this. With that then, we will post the comments to the Review website, as well, of course, that we do have a transcript, then, of what is being said here today which we will publish by early next week, we would hope. So, Sam, if you could proceed.

**MAYOR SAM SYNYARD:** Great, thank you. Ed, thank you. Chairman Miller, thank you for gracing Marystown with the opportunity to do a presentation in our own local community.

**COMMISSIONER (Miller Ayre):** You're welcome.

**MAYOR SAM SYNYARD:** It is much better for you to drive in the snow conditions than I to St. John's or Clarenville. I say that jokingly, of course. I'm going to try and be really brief because I realize there is some snow on our way, so maybe some people might want to leave early and get on the Trans Canada before it gets too dark and too late.

So welcome to Marystown, welcome to the Burin Peninsula. My presentation is fairly brief but I'm going to touch on four speaking points. The first speaking point is just a reflection on our overall experience with the White Rose Project. Marystown was home base to the White Project from 2002 to 2005, and, of course, it is well-known now that the project came in on budget and on time which was the first for a mega project like this for Newfoundland and Labrador, or anywhere else in the country, for that matter.

I think employment here in Marystown peaked at 1500 people during the commissioning, mating and conditioning of the FPSO. The FPSO itself, the hull, of course, came from Korea. Most of the topside modules were built in Marystown and lifted on here in Marystown and mated and commissioned here in Marystown. Overall our experience with White Rose was extremely positive. The only bump on the radar screen, and I don't mean to trivialize it, was actually we ran into some problem with housing for a very brief moment in time, and, in fact, we all sort of dropped the ball because sort of unbeknownst to us to some degree the provincial government, through the Newfoundland and Labrador Housing Corporation, had struck a deal with a private developer from St. John's, actually, to take up about 35 social housing units that were normally targeted for social housing, and it sort of displaced a number of people who couldn't find proper housing and couldn't afford to pay the rents that sort of go up in times like this. So we've already had this conversation with the NLHC and we have their guarantee that they're never going to again allocate traditional social housing units, vacant or unvacant, during good economic times in a community. I guess we didn't really look at the impact of what the housing would be overall.

Marystown is a different community. We are not a work campsite; unlike Bull Arm where people come in and live in a camp. We've, really, over the last decade or so, really pushed back on a work camp idea. When Kiewit came here with White Rose there was discussions about creating a work camp in Marystown and as a municipal authority we were really uncooperative, I guess, for want of a better word, to look at the regulatory process because we don't want work camps in our community. We want people to move here, assimilate in our school, in our communities, shop in our grocery stores and become part of the community, and we successfully did that during White Rose. In fact, it was really refreshing to walk into the local grocery store and hear people speak different languages; you know, Finnish and Swedish and so on and so forth. So it made for us that, prepared a time, a small melting pot in the middle of rural Newfoundland which is really refreshing.

Anyway, people come to visit from outside, of course, and stay for a number of years, they

bring their own experiences and they leave us a better community in the end by being here and visiting with us.

I must say, there was really no negative fallout from having people live here. People found places to live. They integrated in our community. The crime rate didn't peak. Very few social negative impacts whatsoever. So if Hebron works the way that White Rose worked, we will come out of this process in 2016 or 17, whatever year we come out of this process, a much better community than we went into it.

My second speaking point is about, I guess, maximizing local benefits. And when I went through the Benefits Agreement I realized that under their benefits section, I think under Section B, or Section A, rather, a lot of the module work is dedicated to Newfoundland yards carte blanche; almost like a fait accompli. There is a section, of course, that says some of the modules will only be built in Newfoundland if we have the capacity and the ability to build those modules. And I guess, Geoff, you alluded to one of those modules earlier today, and thank you for making that comment publically so we can sort of get on with that part of it.

The large module, of course, the Utilities Module, which will be engineered and bid and, no doubt, constructed overseas is a concern for us. We're not going to change it going into the Hebron Project or coming out of the Hebron Project but we may learn from it and be able to bridge that gap going forward to the next development; be it five, ten years down the road. It is a little bit disheartening when we look at, you know, probably 65 percent of the overall topside module weight in the Utilities Module designed and built overseas, outside of Newfoundland and Labrador, outside of Canada. So I guess as we mature this industry we need to bridge that gap to ensure that as much topside weights, as much work as possible is constructed here in Newfoundland and Labrador.

Again, we're not going to change it for Hebron. And it is not a negative point, it is just a point that we can probably dust off, you know, five years down the road or when we look at the post-exit experience of Hebron.

I'm really pleased that Marystown will have an opportunity to bid on and hopefully get a drilling module that would not necessarily be guaranteed for Newfoundland and Labrador yards. I understand that the Drilling Module is about 3300 metric tons. That in itself is a good chunk of work but I want to remind people that during the White Rose era, from 2002 to 2005, Marystown locally, just here in this community, a mile or so away, we successfully built over 9,000 metric tons of topside module work. I think that was 9,000, the number is sort of fluid, but it was 9,000 metric tons out of a possible 12/13,000 metric tons for the overall topsides on the White Rose FPSO.

So we do have experience building modules. We have experience building much bigger modules, not bigger in isolation. The Drilling Module will be the biggest one we would ever, if we gets to build it, it would be the biggest one we built. But we've built more overall cumulative topside module weight.

I think when you look at some of the legacies that's left behind from White Rose and hopefully left behind from Hebron, I think some of the legacies are sort of automatic. More housing starts, people have more disposal income, people make money and send their kids to university. Some of the things you see quite visibly in front of you, but we also like to see a legacy of better infrastructure. And I think some of the reasons why Exxon or when you walk through the Cow Head site it probably strikes you, Geoff, as a place you can actually build the Drilling Module but it only looks that way now because of the work related to White Rose. And so I would hope that when the next group of people walk through five years from now, seven years from now, they say Marystown has the potential to build this module because of what was left behind infrastructure wise and skill set wise from White Rose and from Hebron. So we need to build on those kinds of experiences.

When I look at infrastructure I keep, I suppose it is in your mandate, Mr. Miller, but I keep thinking about the need for better overall infrastructure to support the offshore oil industry. I keep talking about the need for a better lifting capacity for Newfoundland and Labrador for a graving dock, for want of a better word. There is no graving dock in Newfoundland and Labrador that can do large lifts. I think in 2006, for a four-month period, the Terra Nova FPSO left its site, went to Rotterdam for four months. It was pegged to cost \$90 million at that point in time. I think it cost \$210 million by the time she returned four months later. We lost the benefit of royalties and revenues by delaying the drilling of oil and the taking oil was short. And since that time, several large oil tankers have gone to Europe for retrofits.

So is there a possibility that people get into a room and say what did it cost us in 2006 to send the FPSO Terra Nova to Rotterdam. It was \$15 million. Just drag those numbers out of the air for a moment. If it happens over and over, we have enough money to build a graving dock in this province. And I think if we're going to mature as an offshore oil industry and an offshore oil province, then one of the biggest things we're missing vis-a-vis infrastructure is the proper lifting capacity to take the Terra Nova out of the water or to take the White Rose out of the water, probably to take some of the smaller rigs out of the water. Or even build small rigs that Husky are sort of talking about right now, a smaller stripped down version of a GBS.

But again, I think that's one of the biggest gaps when you look at infrastructure improvements or the need for improvements.

Another issue that we're always faced with and I have had asked that question asked of me four times since I walked in this room ten minutes ago: Can Marystown find the workers to work building modules? And it is something that we always to refute, it seems. Like, I'm not a conspiracy theorist but I find this sometimes to be overwhelming because if you're not so sensible and level headed you would assume that people were sort of planting the idea that Marystown doesn't have a competent or a large number of workforce to do work, and we're finding ourselves always defending this question.

Marystown does have a competent workforce. As I said a few moments ago, we successfully built a 9,000 metric ton topside module work cumulative for the Sea Rose project, for the White Rose FPSO, along with the mating and commissioning. Just in more recent times, the Grand Bank, Glomar Grand Banks, one of the oil rigs came into Marystown for retrofit for 60 days. I spoke to the Human Resource manager at the Kiewit site. They wanted 500 workers and they ramped up the 500 workers in about a week and a half, skilled workers.

We have the highest per capita number of workers on this Peninsula working in the oil industry than anywhere else in the province. There are more people from the Burin Peninsula, and Marystown, in particular, working in the oil business in Alberta that we could put a call out for meaningful employment they will come back quite readily and quite enthusiastically. And I don't know why this question has always been asked to us. It is a question where the answer is very obvious, and the answer is "yes" we can certainly marshal enough workers to build modules. We can marshal enough workers to build ships and so on and so forth. So I wish the people would just stop asking the question, to be quite frank.

COMMISSIONER (Miller Ayre): I'm going to eliminate my first question. (Laughter all around).

MAYOR SAM SYNARD: Okay. But Marystown, we've had some knocks along the way. I don't want to digress from my speaking notes but I've actually sat in rooms in St. John's to hear presentations and people get up and talk with a sense of reverence and a sense of expertise, and say that large ships can't come into Marystown harbor, the large tankers cannot come into Marystown. And there is not a ship in the world that can't come into Marystown safely. I'm not a navigator but I can probably bring a ship in myself without a pilot boat into Marystown harbor. In fact, when the Sea Rose FPSO came from overseas we all gathered down at the waterfront. So we ran out of our homes down to the shore and we watched what we taught was the majestic FPSO Sea Rose come into our harbor, and what struck me and other people wasn't that the Sea Rose was so large and majestic, we said it looked so small in the harbor. It was a tiny little ship in an awful big harbor.

So let's refute that one as well. We don't need to ask any more questions can a large ships come into Marystown harbor. In fact, the Terra Nova FPSO has been in here. We have taken the oil large tankers. They tie up to Cow Head. The Cow Head site itself, you can bring some of the largest ships in the world ashore in Cow Head. You can get off with your slippers and get on a wharf. I think it has 57 feet of low tide draft; a world class wharf in Marystown. It's an ice-free harbor; always ice free. It has never ever frozen over, ever the history of contemporary history. We're going back three or four hundred years. It doesn't require dredging. So the harbor itself is very majestic.

Getting back to the skilled work set, I find it amazing that we sort of live in a province where we're now talking about will we enough trades skilled people. And I don't know if Exxon is, I'm not sure you're not responsible for this, I'm not saying that, but I find it to be a great disconnect when I hear we might not have enough skilled labour to do some of the work that's on the horizon, but, yet, we have the highest unemployment rate in all the country. Our

unemployment rate sits at 15 percent, the official unemployment rate. Most have provinces have unemployment rates of five and six percent. The national average is eight percent.

So maybe we should not wait until the eve of big jobs. Let's not wait until the eve of Vale Inco starting up, don't wait until the eve of Hebron, don't wait until the eve of the Lower Churchill to say we don't have enough skilled workers. We need to develop skilled workers now. We know these jobs are coming, and we knew, the Benefits agreement for Hebron was signed in 2008. That's a long time ago. And if we had a better apprenticeship program we could have had people moving through that transitioning period now into second, third, fourth year journeymen apprentices.

In fact, not sitting on a soap box, but the apprenticeship program in the province is not working for people. It is not working for young people. The apprenticeship program is a complete disaster in my humble opinion. Most of the young men and women I know in this area have successfully become journeymen with Red Seal status in the last five years. Never got one minute of work in Newfoundland and Labrador. They got all their employment in Alberta but yet they're registered in Newfoundland as journeymen and Red Seal people and it is a complete fiasco. It is a complete embarrassment that we've done such a terrible job on our apprenticeship program when we know in front of us there is a need for apprentices.

We're talking now about, we are talking about importing people into this province to work when we have the highest unemployment rate in any region of North America, which is really a great disconnect. It's a wonderful disconnect. It's a terrible disconnect. It's a piece of public policy that we haven't really discussed openly because when we discuss it openly people view it as a criticism, but it's not. It is something we need to discuss because if we don't we're going to be back in the situation again and again and again and again.

Having said that, I do appreciate the opportunity to present. I really appreciate all that the oil industry has done for Marystown. I have had a chance to meet Geoff when he was early the latter early, no, in August, I guess, it was, and I've had a good working relationship with your predecessors, with all the Husky people as well. Dr. Lyall from Husky spent a lot of time in Marystown during the White Rose day. He really befriended us to a large degree, and I think Husky and Dr. Lyall had a really deep commitment to the community and wanted us to do well. And I'm sure, Geoff, through your office and your colleagues will build that same kind of rapport and the same kind of relationship.

Again, thank you for the opportunity to speak and we look forward to better times coming. Thank you.

**COMMISSIONER (Miller Ayre):** Thanks, Sam. I'm starting with my second question. The College of the North Atlantic is a strong force in this area, is it not?

**MAYOR SAM SYNYARD:** Yes, it is.

**COMMISSIONER (Miller Ayre):** And how are their training programs with regard to the needs, the skill needs of the community? Is this a situation, is this a situation where it's of benefit to youth but it gives them time to move around, go where they want, or are there programs that are specifically useful to you here and so on? I mean, how are you finding The College of the North Atlantic? You mentioned the apprenticeship program is not working within the usual trades process to the extent you think it would. I was just wondering how you're finding The College of the North Atlantic.

**MAYOR SAM SYNARD:** Finding the college to be great. They are really receptive to the needs of the area, but, again, it is not the college's responsibility. It is their responsibility to train people into a nine-month apprenticeship program, but that's where they're involvement sort of ends. So visualize, you're a young man or woman, you got to CONA. You do a nine-month program in welding or electrical, and you come out and you apply for a job. You can't get a job because you have no experience and you're not even a part of an apprenticeship program. So you can't become a part of the apprenticeship program unless you get a job, and often you can't get a job unless you're a part of the apprenticeship program. It's obviously a major problem.

**COMMISSIONER (Miller Ayre):** I see the problem.

**MAYOR SAM SYNARD:** And so, what they hope to do is find somebody in Alberta who know of them and drag them to Alberta to work where they can actually then go to work in Alberta, but, yet, start their apprenticeship program in Newfoundland and Labrador, and they're under our apprenticeship program. So I would suggest, Chairman Miller, that the vast majority, the vast, vast majority of young people who have gone through the apprenticeship program since 2005, and there have been in many Newfoundland and Labrador, almost all of them have gotten their hours in Alberta but they're registered and they do their blocks in Newfoundland and Labrador, their six-week blocks.

There is no other way I can say it. There is not, maybe when someone - again, I'm sorry, I am probably off your mandate or off Exxon's or Hebron's mandate, but when a young person leaves an apprenticeship program after a nine-month college stint, maybe, then, they should be a part of the apprenticeship program. Give their booklet and say, let's go, let's work on this booklet. But I know kids in this town have been walking around for four years, have good smart young boys and young men and women who have done their nine-month program but never got a day's work at it because they didn't know someone in Alberta to sort of bring them with them or they had no contact with Alberta. And really, they've given up on following a dream of being an electrician or being a pipe fitter or being a welder. They have sort of given up on it totally and said forget about it.

**COMMISSIONER (Miller Ayre):** Sam, just on one other point that you were talking about with regard to the unemployment issue. Some of the numbers we've looked at show that

the need, the need for workers, skilled workers, in view of all the projects that are underway at the moment, is actually greater than the unemployment number. In other words, assuming the unemployed people all had the specific skills required, you'd not only eliminate the unemployment, you still need other workers. I mean, and, of course, obviously there is a disconnect in the skills available and the unemployed and so on. And we did hear a presentation yesterday that did comment on the demographic wave. In addition to the problem we have of specific skills at a given moment, we have an aging.

**MAYOR SAM SYNYARD:** Yes.

**COMMISSIONER (Miller Ayre):** The problem has an aging problem which in and of itself adds a dynamic to this process. So, I mean, I think it is difficult to be absolute because the numbers don't always, obviously always tell the stories.

Just comment a little bit. The shipyard is a fundamental issue for you people and for the strength of the community, but there is still lots of activity in the community, is there not? I mean, the Chamber of Commerce seems to have things that they are doing and so on. I mean to say, it is not all focused around the shipyard.

**MAYOR SAM SYNYARD:** No, I say this, this is another disconnect that I'm sort of going to reference. Right now in Marystown we have the best economy we've ever experienced and I've been on, I've been mayor for 12 years and I've seen some of the cycles. We have the best economy that I've ever experienced, really in my adulthood, forget the 12 years, but, yet, we have the lowest unemployment opportunities in our community. There is really no work at the shipyard. The fish plant is closed down.

What drives the economy is Alberta money. We are the recipient of huge amounts of money pouring in here every turn around period from Alberta. I don't know about the number, it is really hard to collate the number of people here who work in Alberta because it is a fluid number, but the biggest employer on the south coast of Newfoundland or maybe the biggest single employer in Newfoundland is actually Alberta. That's where.

**COMMISSIONER (Miller Ayre):** Some skilled workers anyway.

**MAYOR SAM SYNYARD:** Skilled workers, that's it seems to be. Yeah. So Marystown is doing very well. Real estate is, residential lots are selling for \$60-\$70,000. Houses are going up, grand homes are going home. Everybody here got a pick-up truck they drive around in. Everybody is doing well. Not everybody, that's exaggeration but the visible people are doing well. But a lot of it is Alberta money. There is no doubt about that.

**COMMISSIONER (Miller Ayre):** But that's a reflection of the historic skill set that you have here.

**MAYOR SAM SYNYARD:** That's why I say we have the workforce to come back. What happened in places, like when the economy went down in Newfoundland and Labrador, even during the cod moratorium, a lot of people left to go to work elsewhere in the province or in the country. And I know a lot of people over in the Connaigra Peninsula, for example, a lot of them went away to work in the Annapolis Valley picking up apples, or people went away to PEI canning lobster, and they were making eight, nine dollars an hour. But when our economy goes down on this Peninsula, our young men and women, mostly young men go away who are skilled workers and they make way more money away than they make here. So they're not your transient workers who are migratory workers. It is not Mr. Chavasse, right, bringing people across. This really is people who have a skill set is in demand.

I have friends who I grew up. I have a friend now who works in Sacalon Island with Exxon, 28 days on/28 days off. There is hundreds like that in this area who work all over the world; but yet, their homes are here, their families live here, their wives and children are here. So that's what drives the economy. But again, there is something humbling and there is something frustrating about depending on another province for your prosperity. That's not how we would want to live our lives of course, you know.

**COMMISSIONER (Miller Ayre):** Well, I think you'd find that if you look around the country you will find that workforces mover back and forth between Alberta and Saskatchewan and so on. I mean, we're not used to some of the kinds of movement that other provinces have because, really, they just drive down the road and go across the border. Because of our geographic separation and island, it is much more dramatic, it looks like a much more dramatic decision.

**MAYOR SAM SYNYARD:** Right.

**COMMISSIONER (Miller Ayre):** That's certainly the case. I would just, I wondered if you could comment a little bit more on the work that will come here. The yard here is owned by Kiewit but the topsides, in this case WorleyParsons is responsible for the particular product that's coming here. So how does that, the bidding process, and who's responsible for what? How is that going to be worked out or how does that happen?

**GEOFF PARKER:** So, the first step in the overall contracting process was to do expressions of interest to find out who thought they might be able to do the work. Then we go through a pre-qualification process to see really who is truly qualified to be able to do that work and then we go through a bidding process. So, and in this case because there's really no other large fabrication yard to be able to do the drilling support module, we ended up, after going through these processes and reviewing the results with the Board, we concluded that we think that the Kiewit yard has the capability and capacity to build the Drilling Support Module. So having done that assessment, the next step is to try and get a firm proposal from them to actually get the contract. So, just correct not to say that we are building it here, but we've assessed that the yard here is capable of doing that. So the next step is to actually do the

contracting of that. So, that's how that sequence works. Did that answer your question?

**COMMISSIONER (Miller Ayre):** Well, it was just the peculiarity of the FEED responsible person.

**GEOFF PARKER:** Sure, I understand. Okay. So the other thing ....

**COMMISSIONER (Miller Ayre):** Having, in effect, the GBS FEED people ....

**GEOFF PARKER:** So, then, okay, so yeah.

**COMMISSIONER (Miller Ayre):** This is a curiosity.

**GEOFF PARKER:** Yeah, it is, because from a contractual point of view, as you say, WorleyParsons have been responsible for the topsides, and so the contracting of that topsides piece is through them, and in this case that would be Kiewit. Now a separate part of the Kiewit organization is in the joint venture with Kvaerner to build the GBS. They really are separate parts of the organization, and even if they weren't, they're totally separate contractual processes. So I don't see that as a complication. It may even help in terms of relationships.

**COMMISSIONER (Miller Ayre):** Yes. So would WorleyParsons have engineering experience that they would send down here or would that be typical of what might happen?

**GEOFF PARKER:** So the engineering for the drilling modules will be done in province and the office, the Tower Corporate Office in St. John's have already started to mobilize people to be able to do that work here. That will be a predominantly people from Newfoundland and Labrador but there will specialists from not only WorleyParsons but then there is a specialist drilling engineering contract, subcontractor working for them who would also be mobilizing people here because that's quite specialty engineering expertise for the drilling pieces.

**COMMISSIONER (Miller Ayre):** Is it likely, would some of them might be right here in Marystown?

**GEOFF PARKER:** And yes, during the construction phase some of the engineering people will move to Marystown as well to support the technical issues associated with construction.

**COMMISSIONER (Miller Ayre):** Just onsite activities.

**GEOFF PARKER:** Correct, they'd be more onsite. Yes, it wouldn't actually be like an engineering office in Marystown. It would be more like an engineering office within the facilities at the Marystown yard.

**COMMISSIONER (Miller Ayre):** I don't have anymore questions at all. I don't know if the

members of the audience do have some comments?

**GEOFF PARKER:** Well I was just going to respond to a couple of the mayor's points, if I may.

**COMMISSIONER (Miller Ayre):** Yes, absolutely.

**GEOFF PARKER:** Because one question you asked about, we look at the yard now and how will the yard look after Hebron, if they actually can, if we can get to the stage of contracting that work. And I'd point out that even to build this single large module there, we would need to do some infrastructure upgrades to the yard. We've assessed what those infrastructure upgrades would be and feel that they are reasonable and feasible to do within the project time line. So, if we're successful in this plan, then when you do walk through that year in 2016 you will see some differences to what you see today. So part of this is to build this largest module there, ever will have done, they do need to have some infrastructure upgrade. So I did want to pick up on that point.

We talked a bit about the apprenticeship side of things, and we agree. We certainly heard that a few years ago when we were starting to do our initial consultations. You're not having any actual physical work in the province at the time, what we could do about it was to try and address that issue somewhat in the labour agreement that we've been negotiating and we now have concluded, and that labour agreement includes some provisions around apprentice ratios. It includes a named hire provision where the Employers Association can name specific people from the, choose them from the list, that the union will nominate some but the Employers can do others and so that can help with the apprenticeship side.

I note then, also, the diversity initiatives that we've put in that agreement to try and expand the available pool of workers. So during that planning stage that was really our vehicle to be able to make a difference that we can hopefully start to realize over the next few years.

And the last one I did want to just comment on because we started with talking about the successful White Rose FPSO. And I just felt it is important when we're comparing different projects to recognize differences. And comparing a GBS to an FPSO is not always a good comparison, because the way an FPSO is built, and I've been project manager on large FPSOs for West Africa, is you can imagine it is a big ship like a big oil tanker, so it has a very big deck. So, on that big deck of the ship, because it has all the oil storage in it, you can lay out lots of small modules on this big deck. You have a deck the size of several football fields that you can put these smaller modules on. So that lends itself to breaking down small modules. Each module may have a particular function. You might have one that's for the water injection, and one that's for the power, and one that's for the piece of the drilling, and one for a piece of the compression. So you can break it down into those smaller modules like was done on White Rose.

On the GBS you have a large integrated deck because that deck has to sit on this single

concrete shaft. So you can manage you're trying to put all those facilities into a smaller box that sits on top of that single shaft, and so you're building this sort of more vertical complex integrated deck that doesn't lend itself to breaking it down into lots of small discreet pieces. So that's sort of the fundamental of the concept of the GBS, and but, of course, the big upside of the GBS is that you get to build the gravity base structure in the province. So the FPSO yes, you don't get to build major parts of that in the province and perhaps get an opportunity for several smaller modules like the White Rose, the integrated deck is more of a concept that comes with the GBS. So that's why I feel that you can't compare an integrated deck to an FPSO module construction method, if that makes any sense.

**COMMISSIONER (Miller Ayre):** Sam, you got any?

**MAYOR SAM SYNYARD:** No, no, that makes total sense. Yeah, yeah. I guess my point in the presentation was that if we say, for example, that Korea or some other jurisdiction has the expertise to build the super modules, so then, I guess, unless we sort of address that somehow, we'll be saying the same thing from 10 years from now and 20 years from now and 30 years from now and 40 years from now. I guess we really need to turn up every rock to find every possible chance to maximize the local benefits and really build an industry, and building an industry is engaging young people into the workforce. It is learning technology transfer to go forward.

A lot of the conversation, I guess, we're having in this whole process, Mr. Chairman, for your process started a number of days going into the next number of weeks, it's a conversation that's not going to change the outcomes but it might be a conversation to put in play a dialogue that may change the outcomes for the next development.

**COMMISSIONER (Miller Ayre):** Right. Okay. Well, unless there are any other questions, I thank you, Sam, for your presentation.

**MAYOR SAM SYNYARD:** You're welcome. Thank you for your time.

**COMMISSIONER (Miller Ayre):** Shannon, do we have any other?

**SHANNON LEWIS-SIMPSON:** Nonregistered.

**COMMISSIONER (Miller Ayre):** None, okay. Well, do you have any closing remarks? Are we all?

**GEOFF PARKER:** No.

**COMMISSIONER (Miller Ayre):** No?

**GEOFF PARKER:** I was just going to thank the mayor for his support and the support from the

community here. It is much appreciated.

**MAYOR SAM SINYARD:** Looking forward to it.

**COMMISSIONER (Miller Ayre):** Well, I thank everyone for attending and we will now bring this session to a close. Mr. Clerk, you agreed with that?

**ED FORAN:** Moving his microphone slowly this time. Yes, Mr. Commissioner, I would agree that we can conclude this session and, likewise, I thank everybody that's taken the time to present here.

**COMMISSIONER (Miller Ayre):** Thank you.

**-END OF DAY 3-**