Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act (File # NR-136-2019)

On July 30, 2019, the Department of Natural Resources received your request for access to the following records/information:

A copy of the June 2019 Meeting Note titles TRADES NL

I am pleased to inform you that a decision has been made by the Department of Natural Resources, confirmed by the Deputy Minister, to provide access to the requested records. The records are attached.

We are providing access to the most information possible but have made redactions in accordance with Sections 29(1)(a) and 35(1)(d)(f)(g) of ATIPPA, 2015 as follows:

29. (1)(a) The head of a public body may refuse to disclose to an applicant information that would reveal advice, proposals, recommendations, analyses or policy options developed by or for a public body or minister;

35. (1)(d) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose information, the disclosure of which could reasonably be expected to result in the premature disclosure of a proposal or project or in significant loss or gain to a third party.

35. (1)(f) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose positions, plans, procedures, criteria or instructions developed for the purpose of contractual or other negotiations by or on behalf of the government of the province or a public body, or considerations which relate to those negotiations.

35. (1)(g) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose information, the disclosure of which
could reasonably be expected to prejudice the financial or economic interest of the
government of the province or a public body.

Please be advised that you may ask the Information and Privacy Commissioner to review
the processing of your access request, as set out in section 42 of the Access to
Information and Protection of Privacy Act (the Act). A request to the Commissioner must
be made in writing within 15 business days of the date of this letter or within a longer
period that may be allowed by the Commissioner.

The address and contact information of the Information and Privacy Commissioner is as
follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P. O. Box 13004, Stn. A
St. John’s, NL. A1B 3V8

Telephone: (709) 729-6309
Toll-Free: 1-877-729-6309
Facsimile: (709) 729-6500

You may also appeal directly to the Supreme Court Trial Division within 15 business days
after you receive the decision of the public body, pursuant to section 52 of the Act.

Please be advised that this letter will be published following a 72 hour period after it is
sent electronically to you or five business days in the case where records are mailed to
you. It is the goal to have the letter posted to the Office of Public Engagement’s website
within one business day following the applicable period of time.

If you have any questions, please feel free to contact me at 709-729-0463 or
rhynes@gov.nl.ca.

Sincerely,

Rod Hynes

Rod Hynes
ATIPP Coordinator
Meeting Note
Department of Natural Resources
Trades NL
8:30 am, July 3, 2019
Minister’s Boardroom

Attendees:
NR:
• Minister Siobhan Coady
• Ted Lomond, Deputy Minister
• Doug Trask, Assistant Deputy Minister, Royalties and Benefits

Trades NL:
• Darin King, Executive Director

Purpose of Meeting:
• Trades NL has requested a meeting with the Minister to discuss the Trades NL organization and its current priorities in regards to natural resource development projects.

Background:
• Trades NL represents more than 15,000 trades workers and 16 building construction unions in Newfoundland and Labrador including: Boilermakers Local 203; Bricklayers Local 1631; Carpenters Local 579; Elevator Constructors Local 125; Hotel & Restaurant Workers Local 779; IBEW Local 1620; IBEW Local 2330; Insulators Local 137; Iron Workers Local 764; Labourers Local 1208; Millwrights Local 1009; Operating Engineers Local 904; Painters & Allied Trades Local 1984; Sheet Metal Workers Local 512; United Association of Plumbers and Pipefitters Local 740; and Teamsters Local 855.

• In April 2019, Trades NL sent letters to the four provincial political party leaders asking them to complete a survey regarding issues affecting skilled trade workers in Newfoundland & Labrador. These issues included:
  o Ensuring the highest number of jobs for Newfoundlanders and Labradorians from Resource Development Projects (mining, oil, gas & hydro);
  o The development of the Bull Arm Fabrication Facility, positioning it to avail of further work opportunities;
  o Community Benefit Agreements on public and resource development projects where there are hiring provisions to ensure qualified Newfoundlanders and Labradorians receive first work opportunities, and hiring of apprentices and under-represented workers; and
  o Tax credit and training for Newfoundland & Labrador skilled trade workers.

• The Liberal Party’s response to the survey is included as Appendix A.

Agenda item #1 – Bay du Nord Project (BdN)
• On July 26, 2018, Premier Ball announced a Framework Agreement had been reached with Equinor on the BdN Project. Discovered in 2013, the BdN Project is expected to be sanctioned in 2020, with first oil expected in 2025. With reserves of nearly 300 million barrels of oil, BdN is the first remote, deep water project in the Province’s offshore (500 kilometres from shore and approximately 1,200 metre water depth).
• The project is expected to offer significant new employment opportunities during the engineering, development and operations phases including:
  o Estimated in-province employment of 22.3 million person hours life-of-field (11,000 person years/84% of total project employment) including:
    ▪ 4 million hours in pre-development and development phases, including 1.7 million hours of engineering, project management and procurement work
      – At least 90% of project management in-province, not less than 320,000 person hours
      – At least 90% of procurement management in-province, not less than 280,000 person hours
      – At least 51% of pre-development and development engineering in-province, not less than 1.1 million person hours, with a focus on subsea engineering
    ▪ 5.2 million person hours for drilling and completions
      – At least 90% of engineering and execution of drilling and completions in-province
    ▪ 1.1 million person hours for Baccalieu subsea tieback
    ▪ 12 million person hours for operations (substantially all onshore and offshore operations phase employment), including engineering, maintenance, logistics, R&D and support functions.

• Fabrication commitments included in the Framework Agreement are:
  o In-province fabrication of 5,000 metric tonnes within a competitive bid framework (4,600 MT BdN/400 MT Baccalieu subsea tie-back subject to the tieback proceeding).
  o New Newfoundland and Labrador fabrication capabilities include a multi-million dollar investment in a large-scale steel roller to be used to manufacture suction anchors for moorings and is applicable to future subsea tiebacks, global work, etc.

• The Framework Agreement also commits to establish an Integrated Operation Centre with:
  o Up to 50 positions in operations, engineering, maintenance, logistics, HSE, IT and other support personnel; and
  o High-speed data transmission to shore is expected to create digital innovation opportunities

• NR is working with Equinor on finalizing the Benefits Agreement for BdN which will include the employment, fabrication and other benefits commitments outlined in the Framework Agreement. The Agreement is expected to be concluded.

Analysis:
• Historically, employment opportunities for skilled trade workers, represented by trades unions, have been during the construction phase of a development project. Therefore, fabrication opportunities associated with BdN will be important to Trades NL member unions.

• On May 7, 2019, Trades NL issued a news release entitled “Where are the jobs for Newfoundland and Labradorians as the Bay du Nord Project moves forward”. The news release requested a clear commitment from Government on the number of construction jobs that will be created in NL from BdN and further claimed that there was no evidence that NL would be the principle beneficiary of the project.

• Trades NL has also publically raised questions regarding the location of the topsides integration and commissioning for BdN and expect that the work be performed in the Province as the capacity exists here to do so.
• Trades NL concerns stem from the BdN Framework Agreement, which did not outline specific scopes of work to be performed in Newfoundland and Labrador. While employment commitments (person hours) were included in the framework agreement and outlined in the public technical briefing, the employment hours do not specify the amount designated for construction jobs.

Potential Speaking Points:
• Our Government expects the Bay du Nord project will provide significant employment opportunities for the Province’s skilled trade workers. While a project sanction decision is not expected until 2020, Equinor has committed to 4 million person hours of in-province employment in the pre-development and development phases.

• The 5000 MT fabrication commitment is a floor, not a cap, which means there may be additional tonnage fabricated in the Province. Equinor must also adhere to the Accord principles of full and fair opportunity and first consideration for employment and business opportunities for NL residents and business.

• While fabrication work will occur outside of the Province as has been the case in other FPSO projects (e.g., hull, turret, umbilicals, riser and flowlines), our Province has the capacity and capability to perform considerable fabrication work related to FPSO developments.

• Equinor and its partner’s commitment to invest in a large steel roller will add fabrication capacity for the project, future subsea tiebacks and global work.

• The specific scopes of work that will be completed in the Province will be determined by Equinor and its partners through a competitive-bid process. This does not reduce Equinor’s contractual obligation to perform at least 5000 metric tonnes of fabrication work in the province.

• We are working with Equinor to develop a Benefits Agreement which will further detail the benefits commitments outlined in the Framework Agreement. Equinor must also submit a Development Plan Application to the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) for approval which includes a Benefits Plan. The foregoing will provide Government, the C-NLOPB and other stakeholders with additional information related to project development.

Agenda Item #2 – Bull Arm Site RFP
• Bull Arm is Atlantic Canada’s largest fabrication site and has hosted large component/module construction/fabrication for four of Newfoundland and Labrador’s offshore developments (Hibernia, Terra Nova, White Rose and Hebron).

• The Province owns the land on which Bull Arm is located, which is currently leased to Nalcor-BAF until March 30, 2022.

• The site was leased to ExxonMobil Canada Properties (Exxon) from 2011 through to completion of the Hebron development. In early 2017, Nalcor-BAF issued an Expression of Interest (EOI) to lease the Bull Arm site for future use, followed by a Request For Proposals...
(RFP) issued late 2017. A final decision has not yet been made with respect to the formal conclusion of the RFP.

Analysis:

- Trades NL has participated in every resource development project in the Province and was the lead on much of the mega-project work at Bull Arm. They have stated that the Bull Arm RFP provides an opportunity to develop partnerships for the provision of a qualified labour force for future work at the site.

- Nalcor-BAF received four relevant submissions through the EOI/RFP process and two proponents; Canadian Supply Base Company (CSBC) and DFB Driver (DFB) were selected to enter into negotiations. In its analysis, Nalcor-BAF considered multiple factors including the proposed labour models. Two opportunities are under consideration:
  - **CBSC**: Development of a ‘Life of Field Service Centre’ (LFSC) with CSBC as supply base operator to support offshore oil opportunities.
  - **DFB**: Full site lease to execute diverse suite of fabrication/manufacturing work including export opportunities.

- Nalcor-BAF has already established a short-term lease with DFB for an estimated 119-day contract with Seadrill to undertake the Warm Stack and Thruster Change Out of the West Aquarius.

- NR recognizes the importance of assessing the impacts to stakeholders such as union groups and surrounding communities. As such, the Minister of Natural Resources has met with both Trades NL and representatives from surrounding communities on the issue. Trades NL have advised that while they are generally supportive of the BAF being utilized over the long term, they have concerns regarding the impacts on their member unions and should be engaged in any long term use discussions or decision making.

- In their pre-election survey, Trades NL inquired as to government’s position on the use of Special Project Orders (SPO) at the Bull Arm Site. The Liberal Party responded that they view the use of SPOs in a positive light and would support an SPO where the size of a development would warrant it.
Potential Speaking Points:

- A decision regarding the final outcome of the Bull Arm RFP is pending as discussions continue with two proponents - DFB Driver and Canadian Supply Base Company in an effort to maximize site utilization.

- Any decision by Nalcor-BAF regarding the outcome will carefully consider impacts on local benefits and labour issues.

Agenda Item #3 – Community Benefits Agreements

- There are many different types of Community Benefits Agreements. Generally, a CBA is an agreement that sets out hiring provisions on publicly funded infrastructure projects. Typically, there will be provisions for hiring qualified local workers first, as well as underrepresented groups, including Indigenous Peoples, apprentices and women in trades. CBAs also include provisions for union wages, and ensure there are no work stoppages (strikes, lockouts) for the duration of construction.

- In their pre-election survey Trades NL inquired as to if Government would commit to developing and implementing a Community Benefits Agreement Policy for public infrastructure projects. Further, in an April 29, 2019 news release Trade NL stated they asked political leaders that they implement a Community Benefits lens on all infrastructure and resource development activity in this province.

- In mid-June 2019, Trades NL launched their NL First campaign (NL First). The campaign centers around Trade NL’s belief that the provincial government can do more to ensure Newfoundlanders and Labradorians receive first consideration to work on projects in the province and from provincial resources. Trades NL states that this can be achieved through the implementation of Newfoundland and Labrador Benefits Agreements for public infrastructure and negotiation of stronger benefits agreements with industry.

Analysis:

- Trades NL stated in their April 29, 2019 news release that “‘Provincial governments right across the country – Quebec, Manitoba, Alberta and BC – are implementing community benefit policies as a measure to protect jobs and provide opportunities for their residents. With all the developments and work planned in our province it is time for our government to follow suit, ensuring our residents are the primary beneficiaries,”

- NR has conducted preliminary research related to CBA’s in Canada has found that provinces are not readily adapting CBA policies. Furthermore, CBA’s do not typically apply to resource projects, only publicly funded infrastructure projects.

- NL already has a robust and established industrial benefits regime. Offshore oil and gas projects are governed by the Atlantic Accord and its implementing legislation, which requires full and fair opportunity and first consideration for residents of NL for associated procurement and employment opportunities. All activity in the offshore requires a Benefits Plan which is submitted to the C-NLOPB and outlines how the benefits-related provisions of the Atlantic Accord are being met. The C-NLOPB has the primary responsibility to monitor such Atlantic Accord provisions for compliance through reporting requirements for operators.

- In addition to the Accord requirements, the Province negotiates benefits agreements with project operators. These agreements build upon the Atlantic Accord provisions and contain
specific industrial and employment commitments designed to maximize participation of NL residents and businesses. NR, in collaboration with Nalcor Energy – Oil and Gas Inc. and other departments, where applicable, leads the negotiation of benefits agreements with operators and has the primary responsibility for monitoring these agreements for compliance.

- Benefits Agreements focus on NL Residents as a whole and do not provide for regional (specific) community specific employment commitments.

- Speaking on open line on Monday, June 17, 2019, Darin King stated, referencing NL First, Trades NL would like to see public procurement projects follow the same benefits model as oil and gas projects.

- Trades NL has called on its members and the public to support NL First by offering a standard letter (attached as Appendix B) which can be signed by individuals and forwarded to the Premier, Ministers and MHAs. There has been over ninety received as of early June.

**Potential Speaking Points:**

- A key priority for our government is maximizing benefits to the people of the Province from our offshore oil and gas projects and ensuring opportunities for Newfoundland and Labrador workers.

- We have industrial benefits provisions entrenched in the Atlantic Accord legislation and in addition negotiate agreements with project operators to ensure commitments for employment and other benefits.

**Prepared/Approved by:** A. Philpott / D. Trask

**Ministerial Approval:**

June 25, 2019
Appendix A

Trades NL- Questionnaire
2019 Election

What is your approach to resource development projects and are you committed to ensuring that the majority of construction on any future resource development project takes place in Newfoundland and Labrador, maximizing the number of jobs for our residents?

One of the main points made in the preamble to your questionnaire refers to the items we both see as vital to any major project development in our province. Not the least of which is securing the best royalty regime possible through the negotiation process, making sure that local minorities are included as part of any project employment opportunity, and we certainly want to maximize all of the local employment we can. As you point out, this approach has led to a maximum investment in the province, a technology and knowledge transfer that positively impacts our employment landscape and expands our capacity to work within the oil and gas industry. Our view of this approach and commitment to it remains intact.

You may hear fear mongering from some corners in respect of the Bay du Nord development and the federal Bill C-69 and it should be disregarded in favour of the facts.

In respect of Bay du Nord, this is a game changer for future development in our offshore. As a deepwater project, it opens up a whole new frontier in our offshore. While this project will create $14 billion dollars in economic activity and Equinor, a key proponent of that project, has committed to increasing local fabrication capabilities, this is just the tip of the iceberg for the new frontier this project will open up in maximizing local jobs.

In respect of the federal government's Bill C-69, provincial Liberals are the only politicians doing real, substantive work to amend that legislation to the benefit of Newfoundlanders and Labradorians. The Progressive Conservatives wish to pick a fight for the sake of picking a fight, because they think it looks good, but the reality is this will only chill relationships we need to capitalize on to protect resource development and maximize jobs for our residents. Premier Dwight Ball and Minister Siobhan Coady have taken the time to travel to Ottawa and present reasoned arguments for amendments to Bill C-69 at the Senate. The Progressive Conservatives have not bothered to do so. Premier Dwight Ball and Minister Siobhan Coady have a demonstrated working relationship with the federal government, as evidenced by bringing home $2.5 billion dollars in new revenues in our offshore and a commitment in writing to deepen joint management of our offshore resources, a clear indication that our message in changing the course on Bill C-69 is working.

The Progressive Conservatives prefer to fear monger and mislead rather than present facts. The fact is that in 2012, changes were made by the Conservatives to environmental assessments with the creation of the Canadian Environmental Assessment Act (CEAA 2012) which removed responsible authority from the Canada NL Offshore Petroleum Board (CNOPB). The federal government is now changing that legislation to an Impact Assessment Act.
Since 2016, the provincial Liberal government has worked hard, using reason rather than rhetoric, to restore responsible authority ensuring a role for our CNLNP; reduce timelines for project assessment for a globally competitive process; ensure exploration was covered by Regional Environmental Assessment; and ensure the policy intent is reflected in the new legislation. We believe changes are needed and necessary to Bill 089 and we have done everything possible to ensure the greatest opportunity for our offshore.

Actions have included letters, briefs, personal briefings, multiple meetings with the top people at the federal government, interventions at federal and provincial forums, organizing stakeholder meetings, multiple meetings with Cabinet Ministers, Senators and as mentioned, presentations before the Senate Committee by the Premier and Minister Coady. The best part? We understand the changes are coming.

The Liberal effort trounces the PC effort, which has been largely about playing politics. The PCs in this province have a long history of not getting past the front porch in Ottawa. Progress on our offshore requires actual work rather than pontification.

Outline your plans for investment and development at Bull Arm, ensuring Newfoundland and Labrador continues to be positioned to avail of maximum work opportunities on current and new projects and will you commit to ensuring that the Bull Arm site remains a world-class facility?

The changing oil and gas industry, particularly as it relates to development offshore Newfoundland and Labrador, is playing a role in the future of the Bull Arm site. Last fall Nalcor Energy - Bull Arm Fabrication Inc, issued an RFP to seek interest in the site from private developers. A final decision on anything relating to the RFP process has not been made. There is more planning work to be done. As you know there have been discussions surrounding an alternate use of the site as a service and maintenance locale for the oil and gas industry. As Minister Siobhan Coady outlined in a speech to the Clarenville Board of Trade in February there are ongoing discussions about this but up to now no definitive action has been articulated.

Will you commit to engaging Trades NL in future projects on the Bull Arm site through a Special Project Order, (SPO)?

Government views the use of special project orders in a very positive light and would be more than willing to engage with Trades NL in this manner should another major oil and gas opportunity present itself.

Will you commit to ensuring any future SPO's contemplated for resource development projects include all member unions of Trade NL?

While it would be governments desire to meet this commitment we must recognize that we are dealing with a hypothetical circumstance right now. The only thing we can say is that our intent would be to support an SPO where the size of the development warrants it. We would not be able to provide a blanket commitment without a detailed proposal to consider. Anyone suggesting otherwise would be disingenuous.

Will you commit to implementing a community benefits agreement policy for Newfoundland and Labrador?
In Newfoundland and Labrador any negotiations surrounding large industrial infrastructure has a tendency to focus on the project itself and not just the local community closest to such a development. While a great deal of emphasis is centered on the local community our view has always been more broad so as to include as much of our small province as possible in the benefits flowing from such activity. However, as a party we are not opposed to taking a closer look at moving in this direction. If, as a government, we decide to move forward on this process, Trades NL will be included as one of the primary stakeholders to be consulted and will be offered the opportunity to have input in formulating such a policy for our province.

Will you commit to implementing a provincial income tax deduction/benefit/credit for skilled trades workers?

This is certainly something we can consider in consultation with Trades NL. Right now there is a tax benefit that accrues to tradespersons in our province. It is offered under the federal tax code and administered by Revenue Canada. Qualifying tradespeople can get a tax deduction for the costs of tools and needed equipment including the payment of HST on those items. There is quite a list of things tradespersons can claim: tools and equipment, technical instruments, protective gear like helmets, steel toed boots, safety glasses, etc. Qualifying tradespersons and apprentices can make claims based on their income. While we do not now offer a similar program provincially we would be open to meeting with Trades NL and other stakeholders to discuss it in the near future.

What is your party’s position on the issue of providing adequate “hands on” time vs. classroom time for apprentices working on their trade and will you ensure that student training will be maintained and if possible enhanced as part of their pre-service course work?

Answer: As Trades NL would be aware, this province enjoys a robust apprenticeship training program for tradespeople in our province. Like we see in most other jurisdictions apprentice time spent in practice is significant. For some of our trades that is 5400 hours of practical work while for others it can be up to 7400 hours of work. 80% of the work carried out by apprentices is done outside the classroom setting or “on the job”. We are confident the current training schedule for the 2019-20 academic year, beginning this September, is not expected to change or be downgraded in any way. In fact, our platform document has a clear stated focus of increasing labour market development through Centres of Excellence at the College of the North Atlantic, which is a demonstration of our commitment to train our young people for the jobs to come.

We should add that the 20% of training conducted in the classroom is also informed by the industries involved. They have direct input into advising what skills are needed and what kind of theoretical study should make up part of the program. This collaborative relationship has proven itself to be an effective one and we hope to continue it into the future.
Appendix B

SIGN THIS LETTER WHICH WILL BE SHARED WITH PROVINCIAL GOVERNMENT OFFICIALS.

NAME *

FIRST

LAST

EMAIL *

POSTAL CODE *

0 of 7 max characters

MHA/DISTRICT

Baie Verte - Green Bay - Brian Warr

Need help finding your district/MHA? Click here.

LETTER

To Premier, Ministers, and MHAs

I write you to show my support for the use of Newfoundland and Labrador Benefits Agreements (NLBA) in Newfoundland and Labrador.

I believe the Government of Newfoundland and Labrador can do more to ensure the people of the province receive first consideration for employment opportunities within resource development and public infrastructure construction projects happening in Newfoundland and Labrador. For public infrastructure projects, specifically, our skilled workers deserve to be given first consideration to be employed on these projects to achieve a trulystimulated economy, as taxpayers and owners.

Implementing a NLBA policy for public infrastructure projects and negotiating stronger agreements for resource development projects provides a crucial access point to ensure skilled trades workers from Newfoundland and Labrador receive full and fair opportunity to be employed on such local projects, driving the economy of our province.

As the leader of our provincial government, we expect you to use a benefits lens for all construction work to level the playing field for fair wages, hiring of qualified local workers and apprentices, and achieving diversity goals.

I believe that developing our workforce here at home, will only strengthen the economy and help make this province more competitive to build capacity and attract new business.

I ask that you please put the people of your province first. When Newfoundlanders and Labradorians are working in NL, everyone benefits.