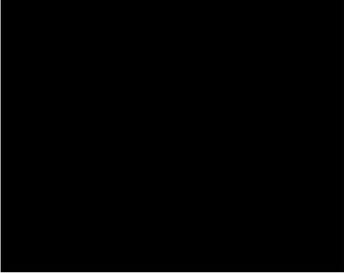


January 31, 2020



**Re: Your request for access to information under Part II of the *Access to Information and Protection of Privacy Act* (File # NR-13-2020)**

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On January 9, 2020 the Department of Natural Resources received your request for access to the following records/information:

**Please provide a copy of ALL Key Messages or Q&A (question and answer) documents prepared by, for or in collaboration with the communications division of the Department of Natural Resources for the month of November 2019. Please note that if there are more than 15 of these records or in excess of 50 pages of total documentation then a list of the titles of the KMs and Q&A will suffice for now.**

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 responsive records are attached.

As set out in section 42 of the Act you may ask the Information and Privacy Commissioner to review the department's decision to provide access to the requested information. 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. Your request should identify your concerns with the department's response and why you are requesting a review.

The request for review may be addressed to 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

Pursuant to section 52 of the Act, you may also appeal directly to the Supreme Court Trial Division within 15 business days after receiving the department's decision.

Please be advised that responsive records will be published following a 72 hour period after the response 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 responsive records posted to the Completed Access to Information Requests website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

For further details about how an access to information request is processed, please refer to the Access to Information Policy and Procedures Manual at <http://www.atipp.gov.nl.ca/info/index.html>.

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

Sincerely,

A handwritten signature in cursive script that reads "Rod Hynes".

Rod Hynes  
ATIPP Coordinator

**QP Issue Note  
Natural Resources  
November 4, 2019**

**ISSUE: Climate Change and Mining the Future**

In September, millions of people took to the street in a massive demonstration to ask that world leaders make solid plans to reduce the use of fossil fuels, including an estimated 4,000 people who marched from Memorial University in St. John's to Confederation Building. Questions could be asked as to how the mining industry is playing a role in a sustainable future.

**ANTICIPATED QUESTIONS:**

- Q. How can you meet climate change goals while increasing mining activity?
- Q. What is the province doing to combat climate change?

**KEY MESSAGES:**

**The clean technology sector is a significant and growing economic contributor globally, this sector will require more minerals and Newfoundland and Labrador has the opportunity to supply these minerals.**

**Newfoundland and Labrador is a key producer of copper, cobalt and nickel, which are important metals that are needed for clean technologies such as wind turbines, solar panels, batteries, transmission lines, and other low carbon applications.**

**As a guiding principle outlined in Mining the Future 2030, we will pursue safe, environmentally responsible exploration and development.**

**The Mining Act requires that any mine developed in the province have a Rehabilitation and Closure Plan in place that will ensure the mine site is rehabilitated and safe after the operation ends. In fact, we require that mining operators progressively rehabilitate the mine site during operations and report on this progress annually.**

**A mine's rehabilitation environmental responsibility is funded through financial assurance paid by the actual operator. This prevents the opportunity for new orphaned and abandoned mines that may negatively affect our environment for years.**

**Prepared by:** Lisa Lawlor, Media Relations Manager  
**Approved by:** Diana Quinton, Director of Communications  
Keith Bradbury, Director of Mineral Development  
Ted Lomond, DM

**QP Issue Note  
Natural Resources  
November 4, 2019**

**ISSUE: Climate Change and Advance 2030**

In September, millions of people took to the street in a massive demonstration to ask that world leaders make solid plans to reduce the use of fossil fuels, including an estimated 4,000 people who marched from Memorial University in St. John's to Confederation building. Media have asked where N.L.'s offshore fits in a world where so many are calling for action on climate change.

**ANTICIPATED QUESTIONS:**

- Q. How can you meet climate change goals while increasing oil production?
- Q. What is the province doing to combat climate change?

**KEY MESSAGES:**

**While the demand for oil is forecast to increase through to 2040, the global outlook for energy is changing and a greening of fossil fuels is anticipated.**

**Balancing environmental protection and responsible development is a priority for this government – as it is for all those involved in the oil and gas industry in Newfoundland and Labrador.**

**Offshore Newfoundland and Labrador projects are already among some of the lowest carbon intensity emitting oilfields in the world and global energy companies focused on environmental sustainability are increasingly interested in our low greenhouse gas production.**

**As a comparison, Hibernia is approximately 12kg CO<sub>2</sub> equivalent per barrel with additional reductions expected as technologies are introduced; the world average is approximately 18kg of CO<sub>2</sub> equivalent per barrel.**

**We will continue to position the province as an internationally preferred location for oil and gas exploration and development – one that values safety and environmental responsibility and maximizes benefits to the people of the province.**

**SECONDARY MESSAGES:**

- We have committed to tackle climate change. This Province has released a 5-year action plan which takes into account our economic, social and fiscal realities.
- The plan contains 33 action items to reduce GHG emissions and 17 action items to support mitigation of the effects of climate change.
- Our action plan will reduce greenhouse gas emissions; stimulate clean innovation and growth; and build resilience to climate change impacts. Our plan will:
  - reduce greenhouse gas emissions from across the economy
  - stimulate clean innovation and growth

- build resilience to climate change impacts
- This will be achieved through the Climate Change Action Plan, which will guide investments in the \$89.4 million Low Carbon Economy Fund and the \$300 million for green infrastructure through the Investing in Canada Plan.

## **BACKGROUND:**

- The oil and gas industry is a significant contributor to the Province's economy. For the 2010-2017 period, the industry was responsible for an average of 29.7% of the province's nominal GDP, 12.9% of all labour income, and 10.8% of all retail sales (includes direct, indirect and induced impacts on the economy).
- **JOBS:**
  - As of the end of June 2019, over 7,900 people directly employed on oil projects in the province.
  - 91% of them from NL
- **GDP:**
  - Oil and gas activities (production and engineering/construction) directly contributed approximately 17% of province's total nominal GDP in 2017. Support activities added another 1% to nominal GDP.
- **ROYALITIES:**
  - Since 1997, the industry has contributed approximately \$22 billion in cumulative royalties to the province.
- Over the last two years \$18 billion in planned investment has been announced for mining and oil and gas projects by the private sector.
- Currently there are 4 major producing projects and nearly 1.9 billion barrels of oil have been extracted since 1997 to the end of August 2019.

Prepared by: Lisa Lawlor, Media Relations Manager  
Approved by: Diana Quinton, Director of Communications  
Nena Abundo, Director of Economics and Benefits  
Ted Lomond, DM

**QP Issue Note**  
**Department of Natural Resources**  
**November 4, 2019**

**ISSUE:** Gull Island

Gull Island is a 2,250 megawatt undeveloped renewable hydroelectric resource on the Churchill River between Churchill Falls and Muskrat Falls. Gull Island has nearly three times more electricity generating potential than Muskrat Falls, and it has been considered for development at various times since 1972.

**ANTICIPATED QUESTIONS:**

Q. What is the status of Gull Island development?

**KEY MESSAGES:**

**Our focus now is on cleaning up the Muskrat Falls mess.**

**Gull Island continues to be a valuable renewable energy development for Newfoundland and Labrador.**

**Gull Island's 2,250 megawatt generating capacity is well suited for export to assist neighbouring provinces and states to replace their aging fossil fuel generation and achieve carbon reduction targets.**

**Government is actively engaging with neighbouring provinces and states through various committees to better understand their electricity needs and inform them about how Gull Island can help them achieve their energy goals.**

**Prepared by:** Director of Communications

**Approved by:** Executive, Natural Resources

**QP Issue Note**  
**Department of Natural Resources**  
**November 4, 2019**

**ISSUE:** Spill of Luminol into the Churchill River

On October 29, Nalcor Energy Churchill Falls confirmed a spill of 39 litres of Luminol into the Churchill River, approximately 5 to 7 kilometers downstream from the Churchill Falls Tailrace. The volume was later determined to be approximately 390 litres.

**ANTICIPATED QUESTIONS:**

- Q. What is the update on the spill of Luminol into the Churchill River?
- Q. Does it pose a risk to residents?

**KEY MESSAGES:**

**In total, the volume of Luminol spilled into the Churchill River was determined to be approximately 390 litres.**

**Luminol is a biodegradable product and it does not pose a risk to the river or wildlife.**

**Officials from Service NL are in direct contact with Nalcor. Service NL requires another fly over of the site to ensure clean-up is complete. Planning for this is in place. The investigation into the root cause of the spill continues.**

**SECONDARY MESSAGING:**

- Nalcor Churchill Falls earlier assessed the spill to be 39 litres. This was a calculation error. The spill was actually 390 litres.
- The increased volume does not change how the response/clean-up was handled.

**BACKGROUND:**

- The spill originated from the underground generating facility where an oil containment system failed to retain the product.
- An investigation is underway to identify the exact cause of the release.
- The affected pump that led to the discharge has been taken out of service.
- The containment system remains fully operational.
- The discharge was discovered by employees conducting a routine cleaning of the underground oil sumps.

**Prepared by:** Director of Communications

**Approved by:** Executive, Natural Resources/Service NL

**QP Issue Note**  
**Department of Natural Resources**  
**November 4, 2019**

**ISSUE:** Update on the Stop Work Orders in the Powerhouse

On Sunday, October 20, Nalcor, with the support of contractors, initiated a safety stand down in the Muskrat Falls powerhouse. Following the stand down, Occupational Health and Safety issued stop work orders to two contractors working in the powerhouse.

**ANTICIPATED QUESTIONS:**

Q. What is the update on the stop work orders?

**KEY MESSAGES:**

**Following Nalcor's completion of a safety review with all contractors at the Muskrat Falls generation site, Occupational Health and Safety has lifted the stop work orders. All work activities, which were covered by the stop works orders, have restarted in the powerhouse.**

**As areas within the powerhouse are changing from non-energized to energized work environments. This change requires diligence by all contractors and workers to ensure safety is always top of mind. We remain focused on the safety of everyone working on our site.**

**Nalcor's Safety Record:**

At the end of September, around 13 million hours have been worked at the Muskrat Falls generation site since the last lost time incident. For the entire Project (transmission and generation), almost 17 million hours have been worked and 30 months since the last lost time injury.

**Further Background:**

- Nalcor implemented a safety stand down at the Muskrat Falls site on Sunday, October 20.
- Prior to the stand down, there were a couple of instances in the powerhouse where contractors were not following the proper safety protocols. No one was hurt, but Nalcor did have a near miss and that is not acceptable.
- Nalcor saw a need to refocus and reiterate commitment to safety, so they took action.
- Following the stand down, Nalcor advised Occupational Health and Safety of their actions and they initiated an investigation which resulted in stop work orders being issued to two contractors working within the Muskrat Falls powerhouse.
- While they are working in all other areas of the powerhouse, some aspects of the commissioning and electrical hook-up and testing of Unit 1 are on hold while they review safety protocols.
- Once they are sure that all of the corrective actions have been taken, they'll get back to the testing and commissioning of Unit 1.

**QP Issue Note  
Natural Resources  
November 4, 2019**

**ISSUE: Gordon McIntosh Contract**

Gordon McIntosh was the Deputy Minister of Natural Resources from December 2016 to February 2019. His consulting company, Aberdeen International Associates, now has a sole source contract with Nalcor Energy – Oil and Gas Inc. worth \$336,000.

**ANTICIPATED QUESTIONS:**

Q. Why was McIntosh granted a conflict of interest waiver?

Q. What work has Mr. McIntosh completed to date?

**KEY MESSAGES:**

**Mr. McIntosh brings in-depth knowledge of our oil and gas industry, our world-class supply-chain, and the global connections that come with more than 30 years of oil and gas experience.**

**He has a solid network and respect of the industry. These experiences will help support the goals of the new oil and gas corporation to develop the riches that exist in our offshore, attract new investment and create jobs.**

**Mr. McIntosh was on a two-year contract with the Provincial Government as Deputy Minister in Natural Resources. Upon that contract concluding – industry and government recognized the immense benefits of having Mr. McIntosh work on behalf of the 600 companies and 7,000 people that make their living on oil and gas.**

**We have been clear and transparent throughout this process.**

- **We publicly released an Order In Council that lifts conflict of interest restrictions;**
- **We will work with Nalcor Energy – Oil and Gas Inc. and Mr. McIntosh on the possibility of releasing his contract in compliance with ATIPP legislation**

**SECONDARY MESSAGES:**

- **Mr. McIntosh has been supporting the goals of the new oil and gas corporation, helping to attract new investment in our offshore.**
- **He has met with a number of international companies involved in the oil and gas industry, including companies in Guyana, and British, Hong Kong and Chinese investment companies.**
- **He is arranging face-to-face meetings with a number of oil and gas companies for the Minister of Natural Resources, and is helping to arrange visits to Newfoundland**

and Labrador for foreign officials to discuss how our industries can work together.

- The contract with Aberdeen International Associations includes a rate of \$25,000 CAD a month. The consultant will be reimbursed \$3000 a month for accommodations in St. John's. He will also be reimbursed for travel expenses.
- Waivers under the *Conflict of Interest Act, 1995* are not uncommon. Public Office Holders who held a position of Deputy Minister or Chief Operating Officer with the Government of Newfoundland and Labrador require the approval of the Lieutenant-Governor in Council which results in an Order in Council.
- The same process was followed for a former Deputy Minister of Justice and Public Safety.
- The new Oil and Gas Corporation has an expanded mandate to enhance the local supply chain and requires the services of an experienced advisor and expert on oil and gas industry matters.
- Mr. McIntosh will use his international industry experience to help the new Oil and Gas Corporation to support Advance 2030.
- Questions about the terms of Mr. McIntosh's contract with Nalcor Energy – Oil and Gas Inc. should be directed to Nalcor Energy – Oil and Gas Inc.

### **Background**

- Gordon McIntosh is no longer the Deputy Minister of Natural Resources, as of February 2019.
- His expertise has brought considerable benefit to the province.
- The contract is for two years, but it may be terminated with 30 days written notice after the first 12 month period.

**Prepared by:** Lisa Lawlor, Media Relations Manager

**Approved by:** Diana Quinton, Director of Communications

Ted Lomond, DM

**QP Issue Note  
Natural Resources  
November 4, 2019**

**ISSUE: Husky Layoffs**

On October 22, Husky announced workforce reductions, largely affecting their Calgary head office.

**ANTICIPATED QUESTIONS:**

- How will this impact Husky operations in Newfoundland?
- How many people in Newfoundland lost their position with Husky?

**KEY MESSAGES:**

**Husky did announce workforce reductions, largely affecting their Calgary head office. The local office did have some staff affected; the company has not released numbers in any of the affected areas.**

**This was a business decision of a large corporation to help them better align with their core business model - the Integrated Corridor and the Offshore, and the reduced 5-year capital plan. In a statement to media, Husky indicated that spending would continue in Atlantic Canada with West White Rose project scheduled for first oil in 2022.**

**Officials with my department have been in communication with Husky and were assured that the layoffs did not affect operations offshore Newfoundland and were not reflective of the confidence Husky has in the White West Rose and White West Rose expansion projects.**

**Husky remains committed to its work in the Atlantic Region. Safe and reliable offshore production and delivering West White Rose remain core to Husky's plan.**

**SECONDARY MESSAGES:**

- There are approximately 600 people onshore (Husky-direct hires and contractors) and 250 offshore (Husky-direct hires and contractors) in the Newfoundland and Labrador region.
- These numbers do not include tradespeople at the Argentia fabrication site.
- numbers will fluctuate depending on the scopes of work underway.

**Prepared by:** Lisa Lawlor, Media Relations Manager

**Approved by:** Diana Quinton, Director of Communications  
Nena Abundo, Director of Economics and Benefits

## **Natural Resources**

November 5, 2019

### **ISSUE: Mineral Resources Review 2019**

Mineral Resources Review - Eastern Canada's largest mineral industry conference and trade show - is happening November 6-9 at the Delta Hotels St. John's Conference Centre.

### **ANTICIPATED QUESTIONS:**

- Why is mining and mineral exploration significant to the people of the province?
- Why should we care about this mining industry conference?

### **KEY MESSAGES:**

**Mining is one of the province's most important industries. With approximately \$4.3 billion in mineral shipments for 2019, the mining industry employees over 6,300 people (excluding construction) throughout Newfoundland and Labrador.**

**In 2018, there were over \$45 million in exploration expenditures.**

**Much potential exists for us to further the mining industry in areas such as the Labrador Trough, southern Labrador's rare earth minerals potential and Central Newfoundland's gold opportunities.**

**Investments in mining and mineral exploration are creating significant employment opportunities, generating new opportunities for local businesses, and improving government's ability to invest in programs, roads, education, and health care.**

**By working together to meet our plan for growth, as outlined in Mining the Future, we will achieve our vision of being a globally competitive, top tier jurisdiction for mineral exploration and development - one that is safe, environmentally responsible, maximizes benefits and opportunities, and competitively produces quality products for global markets.**

### **SECONDARY MESSAGES:**

- Mineral Resources Review is a partnership between the Government of Newfoundland and Labrador and the provincial branch of the Canadian Institute of Mining, Metallurgy and Petroleum.
- Along with technical sessions and networking opportunities, the conference features the Geological Survey's annual public lecture being held on Thursday, November 7 at 7:30 p.m. titled: Fogo Island: at the Intersection of Geology and Art.

- We are also working to update our quarry legislation and will be undertaking a consultation process. In fact, our first session is this Friday from 2 – 3:30 p.m. in the Brownsdale Room here at the Delta. We want to ensure we have modern and comprehensive legislation that addresses the current gaps and incorporates the knowledge and insight of Newfoundlanders and Labradorians, including those with expertise in the quarry industry and land use developments.
- A session will also be provided on the new online staking system, to be implemented in 2020.

**Prepared by:** Lisa Lawlor, Media Relations Manager  
Approved by: Diana Quinton, Director of Communications  
Alex Smith, ADM, Mines

## **Background:**

### **Mining the Future**

In November 2018, we launched The Way Forward on Mining. Through Mining the Future 2030: A Plan for Growth in the Newfoundland and Labrador Mining Industry, by 2030 we envision:

- Five new mines;
- Sustainable direct employment of more than 6200 people in operations;
- A doubling of annual exploration expenditures to \$100 million;
- Producing at least 10% of Canadian mineral shipments;
- A workforce that is more diverse, including 30 per cent women;
- Our province consistently ranked as a top three Canadian jurisdiction in permitting times; and,
- Our province consistently ranked overall as a top three Canadian jurisdiction by industry.

By working together, we will achieve our vision of being a globally competitive, top tier jurisdiction for mineral exploration and development - one that is safe, environmentally responsible, maximizes benefits and opportunities, and competitively produces quality products for global markets.

We are making progress on our plan. Work has already commenced on driving exploration, enhancing our competitiveness, and accelerating development.

We are now working on developing a fully integrated, multiyear implementation plan with our internal and external partners. An interdepartmental steering committee for Mining the Future has met, and is comprised of representatives across a number of provincial government departments and Mining Industry NL.

## **Mineral Licences and Mineral Exploration**

- 60,000 mineral claims throughout the province are currently in good standing.
- Mineral exploration expenditures increased from \$47 million in 2018 to over \$57 million in 2019. This represents the continued growth that began in 2017 following a 13-year low in 2016.
- The availability of geoscience data generated by the Geological Survey combined with assessment report data from mineral exploration reporting support the mining and mineral exploration industries.

## Key Producing Mines

- Iron Ore Company of Canada is a leading Canadian producer of iron ore concentrate and iron ore pellets that serves customers worldwide. IOC recently opened the new Moss Pit and is moving forward with other developments such as the Magy Pit Extension. This extension will provide sufficient additional ore to fill the plant capacity. The mine, concentrator and pelletizing plant in Labrador is anticipated to employ more than 1800 people in 2019.
- Vale Newfoundland and Labrador announced on June 11, 2019 that the Voisey's Bay Mine Expansion Project is advancing toward first ore production with a target of April 2021. Estimated employment for all aspects of the Voisey's Bay Project, including the mines and processing plant, is anticipated to be 2,566 person years in 2019, a 30 per cent increase from 2018.
- Tata Steel Minerals Canada is commissioning their \$700 million wet processing plant. Availability of this asset is a significant milestone for this project.
- Tacora successfully reactivated the Scully Mine and mill and projects a minimum mine life of 26-years. Tacora announced in August 2019 its first seaborne vessel shipment of 69,770 tonnes of Premium Concentrate bound for a customer in Europe. Employment in 2019 is expected to reach 106 person years in operations and 20 person years in construction.
- Rambler Metals and Mines operates the underground Ming copper-gold mine on the Baie Verte Peninsula. Rambler continues to advance the copper-gold mine with a view to advancing an expansion of its existing Tailings Management Facility. Expansion of this facility will accommodate tailings generated during operations at the mine through 2025. It is anticipated Rambler will generate 195 person years of employment in 2019.

## Key Developing Properties

- Marathon Gold Corporation is a gold exploration and development company with its flagship project, Valentine Lake, located in central Newfoundland. Marathon has received significant support for its exploration work through the province's Junior Exploration Assistance Program. Marathon is currently proceeding through Environmental Assessment. The potential mine life is approximately 12.2 years with an estimated annual average production of 225,100 ounces per year.
- Search Minerals Inc. is closer to creating a multigenerational source for rare earths in Canada. Search has three (3) Rare Earth Element (REE) camps in Labrador with its primary focus on the Port Hope Simpson Critical Rare Earth Element (CREE) district in South East Labrador. Search intends to continue to expand on the Deep Fox resource with additional drilling in 2020.

- Matador Mining Ltd. is a Western Australian-based exploration company with its flagship Cape Ray Gold Project, located approximately 25 kilometres from Port aux Basque. On October 4, 2019, as part of its exploration program at Cape Ray, Matador announced a new high-grade discovery that extends the mineralised footprint. Matador has carried out extensive exploration in 2018 and 2019 and is currently carrying out baseline environmental studies to aid in its environmental registration.

## **KEY MESSAGES**

### **Natural Resources**

#### **Question and Answers**

#### **Mineral Resources Review 2019**

November 7, 2019

#### **Q: What is the Mineral Resources Review?**

Mineral Resources Review is Eastern Canada's largest mineral industry conference and trade show. The annual conference and trade show is a partnership between the Government of Newfoundland and Labrador and the provincial branch of the Canadian Institute of Mining, Metallurgy and Petroleum.

#### **Q. Who is going to this conference?**

The conference is attended by over 750 registered delegates representing a diverse range of careers from across the mining sector in Eastern Canada.

#### **Q. Why is the mining industry so important in Newfoundland and Labrador?**

Mining is one of the province's most important industries. With approximately \$4.3 billion in mineral shipments for 2019, the mining industry employs over 6,300 people (excluding construction) throughout Newfoundland and Labrador. The mining industry is creating opportunities for local businesses, and increasing the province's ability to invest in programs, roads, education and health care.

#### **Q. What types of commodities are mined here in the province?**

The minerals industry in Newfoundland and Labrador provides a wide variety of much needed commodities to the world market. Fourteen mineral commodities are produced or mined in the province including copper, cobalt, nickel iron, gold and antimony.

#### **Q. What are you doing to ensure the success of the mining industry?**

We have a vision of being a globally competitive, top tier jurisdiction for mineral exploration and development - one that is safe, environmentally responsible, maximizes benefits and opportunities, and competitively produces quality products for global markets. That is why in November 2018, we launched The Way Forward on Mining. Through Mining the Future 2030: A Plan for Growth in the Newfoundland and Labrador Mining Industry, by 2030 we envision:

- Five new mines;
- Sustainable direct employment of more than 6200 people in operations;
- A doubling of annual exploration expenditures to \$100 million;
- Producing at least 10% of Canadian mineral shipments;

- A workforce that is more diverse, including 30 per cent women;
- Our province consistently ranked as a top three Canadian jurisdiction in permitting times; and,
- Our province consistently ranked overall as a top three Canadian jurisdiction by industry.

**Q. Can you give me and update on Mining the Future?**

We are making progress on our plan. Work has already commenced on driving exploration, enhancing our competitiveness, and accelerating development. We are now working on developing a fully integrated, multiyear implementation plan with our internal and external partners. An interdepartmental steering committee for Mining the Future has met, and is comprised of representatives across a number of provincial government departments and Mining Industry NL. I look forward to a continued collaborative approach as we realize our full potential for jobs and growth in the mining industry.

**Q. How is the mining industry helping with the transition to a green economy?**

The clean technology sector is a significant and growing economic contributor globally, this sector will require more minerals and Newfoundland and Labrador has the opportunity to supply these minerals. Newfoundland and Labrador is a key producer of copper, cobalt and nickel, which are important metals that are needed for clean technologies such as wind turbines, solar panels, batteries, transmission lines, and other low carbon applications.

**Q. Wouldn't mining be bad for the environment?**

As a guiding principle outlined in Mining the Future 2030, we will pursue safe, environmentally responsible exploration and development. The Mining Act requires that any mine developed in the province have a Rehabilitation and Closure Plan in place that will ensure the mine site is rehabilitated and safe after the operation ends. In fact, we require that mining operators progressively rehabilitate the mine site during operations and report on this progress annually.

A mine's rehabilitation environmental responsibility is funded through financial assurance paid by the actual operator. This prevents the opportunity for new orphaned and abandoned mines that may negatively affect our environment for years.

**Q. Can you tell me about the quarry consultations?**

We are also working to update our quarry legislation and will be undertaking a consultation process. In fact, our first session is this Friday from 2 – 3:30 p.m. in the Brownsdale Room at the Delta Hotel. We want to ensure we have modern and comprehensive legislation that addresses the current gaps and incorporates the knowledge and insight of Newfoundlanders and Labradorians, including those with expertise in the quarry industry and land use developments. We welcome all comments

and suggestions relating to the way quarries are, or should be, regulated, and any other issues surrounding the management, development and regulation of quarry materials in the province.

**QP Issue Note  
Natural Resources  
November 6, 2019**

**ISSUE:** Protest at Bull Arm

According to VOCCM, Around 60 people are protesting at the Bull Arm site this morning. Workers from a variety of trades and sixteen unions are on site protesting being “pushed out” of work on the site by government, as a result of an agreement between DF Barnes and the carpenters Local 585 for work on the Transocean Barents, now in port for warm stacking and thruster change out.

**ANTICIPATED QUESTIONS:**

- Q. Is government pushing out local workers at Bull Arm?
- Q. What is the status of the request for proposal for Bull Arm?

**KEY MESSAGES:**

**The Bull Arm site is leased at different times to different contractors for different scopes of work.**

**We are pleased that DF Barnes has been successful in securing a contract to carry out service on an offshore drill rig and that they are undertaking the work at Bull Arm. This is the second rig contract DF Barnes has brought to Bull Arm in the last year.**

**We understand they are employing union members from the local area and that there will be up to 40 people employed with this project.**

**As a government, we are committed to maximizing benefits to the people of the province from the development of our natural resources. Contracts such as this are good for the economy and the province overall.**

**We will continue to support the development of our supply and service industry as we said we would in Advance 2030.**

**SECONDARY MESSAGES:**

- A request for proposal process for Bull Arm is ongoing to identify opportunities for the future use of the site.
- A decision is pending as discussions continue with two proponents in an effort to maximize site utilization.
- Nalcor Energy – Bull Arm Fabrication recently established a six-month lease with DF Barnes to for a portion of the Bull Arm site for upgrade work on the Transocean Barents offshore rig. This was in addition to an earlier short-term lease with DF Barnes for West Aquarius warm stacking at site.

**Prepared by:** Diana Quinton, Director of Communications

**Approved by: Ted Lomond, DM**

## **BACKGROUND:**

### **DF Barnes' Public Statement (November 6)**

In response to a site protest outside Bull Arm today, DF Barnes said it stands by the excellent work being done at Bull Arm by workers from Newfoundland and Labrador. DF Barnes is operating a unionized site and employing union members from the local area. The company is now on its second contract to carry out service on drill rigs. The West Aquarius thruster change out was a significant job and was successfully completed recently. Now a second rig is at Bull Arm and DF Barnes is again employing local people to complete this highly skilled and technical service and maintenance work. The company said this is not something to protest but something to celebrate. The unionized workforce required to complete the job is on site and working. This is good for those workers and the economy of the region. It bodes well for future work being done here, by a local workforce, instead of in foreign yards as has been the case in the past.

### **Benefits Agreements**

- Offshore oil and gas projects are governed by the Atlantic Accord legislation which requires full and fair opportunity and first consideration for employment of residents in Newfoundland and Labrador.
- In addition to the Accord requirements, the Province negotiates benefits agreements with oil and gas and mining project operators to ensure commitments for employment and other benefits.

### **Future of the Bull Arm Site**

- The Minister of Natural Resources has met with Trades NL and representatives from surrounding communities regarding the future of the Bull Arm Site.
- We view Special Project Orders (SPO) at the Bull Arm Site in a positive light and would support an SPO where the size of a development would warrant it.
- Newfoundland and Labrador is on the verge of a new era in frontier oil exploration and development, which is further offshore, and Bull Arm is certainly well positioned to support these opportunities.
- Nalcor-BAF released an EOI in early 2017 to lease the Bull Arm site for future use. This was followed by a RFP in late 2017.
- 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.
- Decision is pending in an effort to maximize site utilization and local employment and business opportunities for communities in the area.

- Nalcor Energy-Bull Arm Fabrication Inc. established a short-term (180 days) lease for the Fabrication Yard with DF Barnes for Seadrill to undertake the Warm Stack and Thruster Change Out of the West Aquarius. The lease was extended to include additional rig work following completion of the Seadrill contract; the extension ended in July 2019.
- In October 2019, Nalcor-BAF signed a further short term lease with DF Barnes for a portion of the Bull Arm site for upgrade work on the Transocean Barents offshore rig.
- As part of the RFP, BAF is in discussions with DF Barnes regarding a two year lease for the Fabrication Yard portion of the site.
- Nalcor-BAF continues to entertain opportunities for the site.

**QP Issue Note  
Natural Resources  
November 12, 2019**

**ISSUE:** Protest at Bull Arm

Last week, workers from a variety of trades and unions protested at the Confederation Building. They are upset with an agreement between DF Barnes and the Carpenters Local 585 for work on the Transocean Barents, now in port at Bull Arm for warm stacking and thruster change out.

**ANTICIPATED QUESTIONS:**

- Q. Is government pushing out local workers at Bull Arm?
- Q. What is the status of the request for proposal for Bull Arm?

**KEY MESSAGES:**

I met with Trades NL last Thursday and DF Barnes last Friday. I encouraged the two parties to work on a resolution to the current dispute regarding work at the Bull Arm site. A meeting between the two parties happened on Friday – I understand it went well.

**The Bull Arm site is leased at different times to different contractors for different scopes of work.**

**We are pleased that DF Barnes has been successful in securing a contract to carry out service on an offshore drill rig and that they are undertaking the work at Bull Arm. This is the second rig contract DF Barnes has brought to Bull Arm in the last year.**

**We understand they are employing union members from the local area and that there will be up to 30 people employed with this project.**

**As a government, we are committed to maximizing benefits to the people of the province from the development of our natural resources. Contracts such as this are good for the economy and the province overall.**

**SECONDARY MESSAGES:**

- We will continue to support the development of our supply and service industry as we said we would in Advance 2030.
- A request for proposal process for Bull Arm is ongoing to identify opportunities for the future use of the site.
- A decision is pending as discussions continue with two proponents in an effort to maximize site utilization.
- Nalcor Energy – Bull Arm Fabrication recently established a six-month lease with DF Barnes to for a portion of the Bull Arm site for upgrade work on the Transocean Barents offshore rig. This was in addition to an earlier short-term lease with DF Barnes for West Aquarius warm stacking at site.

## **BACKGROUND:**

### **DF Barnes' Public Statement (November 6)**

In response to a site protest outside Bull Arm today, DF Barnes said it stands by the excellent work being done at Bull Arm by workers from Newfoundland and Labrador. DF Barnes is operating a unionized site and employing union members from the local area. The company is now on its second contract to carry out service on drill rigs. The West Aquarius thruster change out was a significant job and was successfully completed recently. Now a second rig is at Bull Arm and DF Barnes is again employing local people to complete this highly skilled and technical service and maintenance work. The company said this is not something to protest but something to celebrate. The unionized workforce required to complete the job is on site and working. This is good for those workers and the economy of the region. It bodes well for future work being done here, by a local workforce, instead of in foreign yards as has been the case in the past.

### **Benefits Agreements**

- Offshore oil and gas projects are governed by the Atlantic Accord legislation which requires full and fair opportunity and first consideration for employment of residents in Newfoundland and Labrador.
- In addition to the Accord requirements, the Province negotiates benefits agreements with oil and gas and mining project operators to ensure commitments for employment and other benefits.

### **Future of the Bull Arm Site**

- The Minister of Natural Resources has met with Trades NL and representatives from surrounding communities regarding the future of the Bull Arm Site.
- We view Special Project Orders (SPO) at the Bull Arm Site in a positive light and would support an SPO where the size of a development would warrant it.
- Newfoundland and Labrador is on the verge of a new era in frontier oil exploration and development, which is further offshore, and Bull Arm is certainly well positioned to support these opportunities.
- Nalcor-BAF released an EOI in early 2017 to lease the Bull Arm site for future use. This was followed by a RFP in late 2017.
- 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.
- Decision is pending in an effort to maximize site utilization and local employment and business opportunities for communities in the area.

- Nalcor Energy-Bull Arm Fabrication Inc. established a short-term (180 days) lease for the Fabrication Yard with DF Barnes for Seadrill to undertake the Warm Stack and Thruster Change Out of the West Aquarius. The lease was extended to include additional rig work following completion of the Seadrill contract; the extension ended in July 2019.
- In October 2019, Nalcor-BAF signed a further short term lease with DF Barnes for a portion of the Bull Arm site for upgrade work on the Transocean Barents offshore rig.
- As part of the RFP, BAF is in discussions with DF Barnes regarding a two year lease for the Fabrication Yard portion of the site.
- Nalcor-BAF continues to entertain opportunities for the site.

### **Special Project Orders**

- A special project is an undertaking of construction work which is designed for the purpose of developing a natural resource or establishing a primary industry.
- The construction period must be more than two years.
- Under Section 70 of the Labour Relations Act (the Act), the Lieutenant-Governor in Council (LGIC) has authority to declare special projects.
- Special Project Orders (SPOs) represent a valuable tool whereby Government can sanction a unique labour relations environment for a major project and help ensure labour stability (no strikes/no lock-outs) for the construction period.
- SPOs create a separate labour relations regime for special projects, outside of the normal bargaining environment for the industrial/commercial construction sector.
- This has historically been done in order to allow for a council of unions or a single union and an organization of employers to negotiate a single collective agreement, thereby eliminating the requirement for parties to abide by the broader provincial collective agreements for the construction sector in favour of a single special project collective agreement.
- 11 SPOs have been issued since 1967s:
  - Upper Churchill Falls Development
  - Hibernia GBS
  - Terra Nova Project
  - Voisey's Bay Project (the mine and mill in Labrador and the demonstration plant in Argentina)
  - Vale Inco Long Harbour Processing Plant
  - Hebron Development Project
  - Muskrat Falls Project x 3

- Lower Churchill Hydroelectric Generation Project
- Lower Churchill Project Transmission Construction
- Lower Churchill Reservoir Clearing
- Maritime Link Transmission Construction
- West White Rose Project

**QP Issue Note**  
**Department of Natural Resources**  
**November 14, 2019**

**ISSUE:** Privacy Breach – NL Hydro

In late October, NL Hydro became aware of a privacy breach – where 234 notices of disconnection were inadvertently included with other customers' bills.

**ANTICIPATED QUESTIONS:**

Q. Why did this happen?

Q. What is NL Hydro doing to ensure a breach doesn't happen again?

**KEY MESSAGES:**

**On November 13, NL Hydro informed officials with Natural Resources that a privacy breach had occurred and that they took action to correct it immediately.**

**We take the protection of personal information very seriously. It is unfortunate that this incident occurred. NL Hydro has notified all affected individuals.**

**Steps have been taken so an incident of this nature does not happen again.**

**Changes have been implemented to improve their process for preparing mail-outs and notices.**

**NL Hydro have also filed a formal report with the Office of the Information and Privacy Commissioner.**

**SECONDARY MESSAGES:**

- On October 25 NL Hydro became aware of a privacy breach that occurred while preparing bills for distribution to customers. Notices of disconnection for 234 customers were inadvertently included with other customers' bills, which were sent out on October 21.
- This resulted in some customers receiving their own bill as well as a copy of someone else's disconnection notice. Information that was inadvertently shared with another customer included customer name, mailing address and account number.

**Prepared by:** Lisa Lawlor, Media Relations Manager

**Approved by:** Diana Quinton, Director of Communications

Corey Snook, Director of Energy Policy

**QP Issue Note  
Natural Resources  
November 19, 2019**

**ISSUE:** Departure of Executive Vice President and Chief Financial Officer from Nalcor

On November 14, Nalcor announced the departure of Executive Vice President and Chief Financial Officer, Derrick Sturge. Mr. Sturge is contractually entitled to a compensation package of approximately \$900,000. Media have asked for comment from Minister Coady on this issue.

**ANTICIPATED QUESTIONS:**

Q. What do you think about the departure of Nalcor's CFO?

Q. How can you allow such a compensation package for a Nalcor employee?

**KEY MESSAGES:**

**Nalcor Energy severed the contract with Mr. Sturge without cause and is obligated to fulfill the terms of his contract.**

**As a long-time member of the Nalcor Energy executive team, Mr. Sturge is contractually entitled to a compensation package of approximately \$900,000.**

**The Board of Directors at Nalcor approved this human resources decision at a recent meeting.**

**We were advised of the decision following the meeting.**

**This was a contract with a person who worked with NL Hydro and then Nalcor for a total of 20 years.**

**SECONDARY MESSAGES:**

- Nalcor and Hydro have undertaken efforts to control compensation and overtime costs.
- Hydro has reduced overtime 9 per cent in the past year.
- Nalcor completed a salary review in 2018 and froze 50 per cent of non-union pay scales and the company has given employees no cost of living increases in four years.
- Just 6 per cent or 97 employees at Nalcor were eligible for performance contracts and paid \$2.1 million in 2018, which was 1.5 per cent of total labour costs.

**BACKGROUND:****Compensation (FROM NALCOR)**

- Nalcor Energy's executive compensation has always been based on market research of comparable companies in the energy industry in Canada, and is designed to attract and retain experienced and qualified experts.
- Mr. Sturge's Executive Employment Agreement outlined the terms of his employment including his remuneration, expenses and benefits, pension, conflict of interest and termination clauses.
- Mr. Sturge's contract clearly stated that he would receive twelve months salary, plus one month's salary for each year of service with the Nalcor Group ("Notice Period") such that the total amount payable to the Executive upon termination shall be no greater than twenty-four months' salary.

**QP Issue Note  
Natural Resources  
November 19, 2019**

**ISSUE:** Nalcor's Employment Contracts

In the House of Assembly on November 18, MHA Brazil asked the Minister of Natural Resources if she will commit that all future employment contracts signed by Nalcor employees will fall under Treasury Board guidelines. This question stemmed from Nalcor's announcement that the Executive Vice President and Chief Financial Officer, Derrick Sturge had departed. Mr. Sturge is contractually entitled to a compensation package of approximately \$900,000.

**ANTICIPATED QUESTIONS:**

Q. Will all future employment contracts signed by Nalcor employees fall under Treasury Board guidelines?

**KEY MESSAGES:**

**As a government, we recognized that greater government oversight was needed on compensation at agencies, boards and commissions including Nalcor.**

**That is why we put in place the Public Bodies Reporting Act in 2018, which removed certain restrictions preventing agencies, boards and commissions from working with us on planning and forecasting.**

**We are working collaboratively and respectfully with Nalcor and the Boards of other agencies, boards and commissions and government business enterprises to examine their compensation and attrition plans. These discussions are ongoing.**

**The new oil and gas corporation will be subject to Treasury Board policy and guidelines and will generally align its compensation and benefits programs with government.**

**Our intention is to bring employee compensation at Nalcor in line with government, as stated in government's rate mitigation plan.**

**Future outcomes will be guided by the findings of the Muskrat Falls Inquiry Commission Report and the PUB's final report.**

**SECONDARY MESSAGES:**

- **Nalcor Energy severed the contract with Mr. Sturge without cause and is obligated to fulfill the terms of his contract.**

- As a long-time member of the Nalcor Energy executive team, Mr. Sturge is contractually entitled to a compensation package of approximately \$900,000.
- The Board of Directors at Nalcor approved this human resources decision at a recent meeting.
- We were advised of the decision following the meeting.
- This was a contract with a person who worked with NL Hydro and then Nalcor for a total of 20 years.

**Prepared by:** Diana Quinton, Director of Communications

**Approved by:** NR Executive

Finance Executive