

December 17, 2019



**Re: Your request for access to information under Part II of the *Access to Information and Protection of Privacy Act* (File # NR-252-2019)**

On November 29, 2019 the Department of Natural Resources received your request for access to the following records/information:

**Bloom Lake Railway Industrial Benefits – Information Note from October 2019**

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.

We are providing access to the most information possible but have made redactions in accordance with Sections 29(1)(a), 30(1)(a), 34(1)(a)(ii) 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;

30. (1)(a) The head of a public body may refuse to disclose to an applicant information that is subject to solicitor and client privilege or litigation privilege of a public body; or

34. (1)(a)(ii) The head of a public body may refuse to disclose information to an applicant if the disclosure could reasonably be expected to harm the conduct by the government of the province of relations between that government and the following or their agencies: the council of a local government body

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.

We have redacted pages 7 to 32 Appendix B and pages 33 to 35 Appendix C in full with accordance with Section 35(1)(d)(g) of ATIPPA, 2015 as outlined above.

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

**Information Note**  
**Department of Natural Resources**

**Title: Bloom Lake Railway Industrial Benefits**

**Issue:** To provide information regarding industrial benefits for the Bloom Lake Railway located in Labrador.

**Background and Current Status:**

- The Bloom Lake Railway is a privately owned Canadian short line railway operating in the province of Newfoundland and Labrador and Quebec. The project was commissioned for Consolidated Thompson Iron Mines to connect their Bloom Lake mine near Fermont, Quebec with the existing Wabush Lake Railway in Wabush, Newfoundland and Labrador. The 31.5 km Bloom Lake Railway was constructed between July 2009 and April 2010. All of the railway is located in Labrador.
- In January 2011, Consolidated Thompson was purchased by Cliffs Natural Resources. In 2011, Genesee & Wyoming began control of operations on behalf of the owners. The railway is anticipated to be operational for 34 years.
- In April 2008 Consolidated Thompson registered the project for environmental assessment (EA). As part of the EA, Consolidated Thompson was required to submit an Environmental Preview Report (EPR) which included the Consolidated Thompson/Bloom Lake Railway Benefits Policy (Benefits Policy). The Benefits Policy included commitments to providing full and fair opportunity and first consideration for employment and procurement to NL Residents (Labrador Residents to be considered first, followed by Residents of the remainder of the Province). The Benefits Policy is attached as **Appendix A**.
- The EPR estimated direct employment of 160 and additional indirect employment of potentially 46-96 persons during the construction phase of the project. The EPR also outlined that operations and maintenance of the railway would directly require 12 full-time positions, including a rail operations manager, a logistics manager, train operations personnel, inspection and maintenance personnel in Wabush to operate the line. On October 27, 2008 the Project was released from Environmental Assessment.

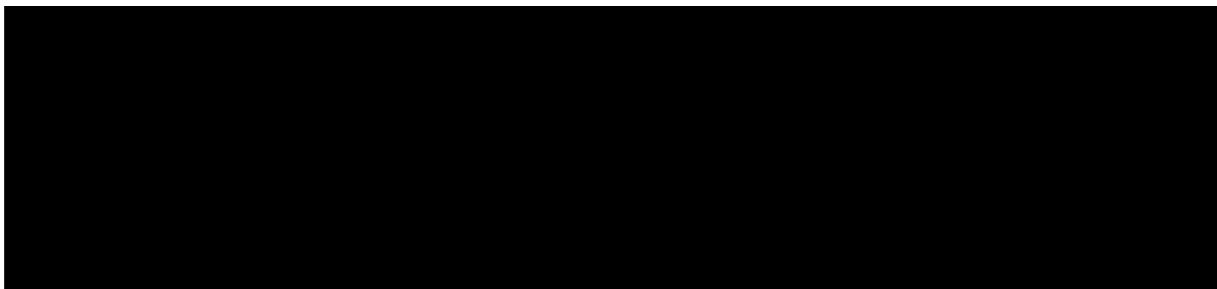
**Analysis:**

- On July 3, 2009, the Province entered into an Agreement (Development Agreement) with the Bloom Lake Railway Company and Consolidated Thompson (the Proponents) to *"construct and operate the Project in accordance with any Permits issued by the Province or other Government entity and deliver upon the benefits commitments made as part of any environmental assessment approval."* The Development Agreement is attached as **Appendix B**.
- In June 2010, Consolidated Thompson submitted a "Construction Phase Benefits Report which summarized the socio-economic benefits achieved during the construction phase of the Project (July 1, 2009-April 2010) through an assessment of employment, procurement and expenditures. The report included a qualitative assessment of Consolidated Thompsons efforts to maximize local benefits as well as a quantitative summary the benefits outcomes as follows:

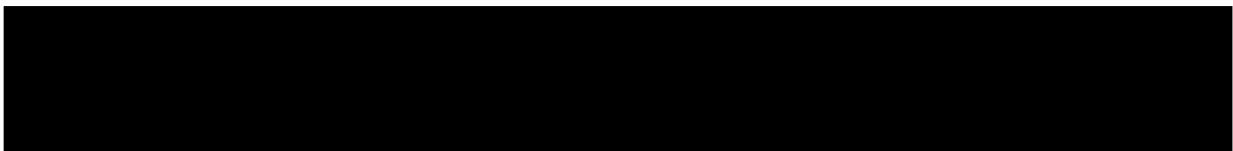
**Table 1 Construction Phase Benefits Outcomes by Location**

Benefits Outcomes	Location					
	Labrador		Newfoundland		Other	
	Number	(%)	Number	(%)	Number	(%)
Contracts per work location	4	57	1	14	2	29
Average employees per work location	279	89	19	8	10	3
Average employees per place of residence at point of hire	100	34	73	27	113	39
Expenditures per location	75,183,419	64	6,381,342	5	36,702,372	31

- In their EPR, Consolidate Thompson anticipated that 80-90% of of the construction phase workforce would come from NL. However, according to the benefits report, only an average of 61% of employees came from the Province. In the benefits report, Consolidated Thompson acknowledged that despite all efforts to hire locally, there was a failure to meet the target due to a delay in the start of construction, a lack of skilled persons qualified to perform certain tasks and competition from other local mines for local labour.
- On September 22, 2010, the Minister of Natural Resources entered into a Letter Agreement with the Proponents (attached as **Appendix C**), in accordance with section 4.2 of the Development Agreement, to authorize an increase the transport of iron ore concentrate across the Bloom Lake Railway, by an additional 8 million tonnes per year, bringing the total tonnage able to be transported over the railway to 16 million tonnes per year. As part of this letter agreement, the Minister included additional benefits commitments, among other commitments, for the Proponents including:
  - To complete a head office and maintenance shop for the Bloom Lab Railway in Labrador West by December 31, 2010.
  - Accelerate attainment of a 100 per cent Newfoundland and Labrador resident operational workforce as committed to in the EPR by March 31, 2011.
  - The existing Benefits Policy, which forms part of the EPR, apply to any additional employment and procurement associated with the approved expansion. Consolidated Thompson will also provide the Minister with details of such employment and procurement opportunities.
- The Proponents do not submit regular benefits reports to the Province as it is not required by the benefits policy. There is a commitment to monitor progress and provide the information to the Province upon request.



S.29.1.a  
S.35.1.d  
S.35.1.f  
S.35.1.g



S.29.1.a  
S.34.1.a.ii  
S.35.1.d  
S.35.1.g

- [Redacted]

S.29.1.a  
S.34.1.a.ii  
S.35.1.d  
S.35.1.g

- [Redacted]

S.29.1.a  
30.1.A  
S.35.1.d  
S.35.1.f  
S.35.1.g

**Action Being Taken:**

- [Redacted]

S.29.1.a  
S.35.1.d

**Prepared/Approved by:**

A. Philpott/N. Abundo/



S.35.1.g

October 9, 2019

## Appendix A Benefits Policy



CONSOLIDATED  
THOMPSON

### CONSOLIDATED THOMPSON/BLOOM LAKE RAILWAY NEWFOUNDLAND AND LABRADOR BENEFITS POLICY

The following outlines Consolidated Thompson's Newfoundland and Labrador Benefits Policy, which will be adopted by Bloom Lake Railway as soon as it is established and incorporated.

The Bloom Lake Railway will play an important role in the industrial transportation infrastructure of western Labrador. The Bloom Lake Railway will be incorporated in the Province of Newfoundland and Labrador and have its head office in Labrador West. Consolidated Thompson (CLM) is committed to the principles of local hiring of qualified workers and local procurement of goods and services on a commercially reasonable basis. Bloom Lake Railway (BLR) will abide by the CLM Benefits Policy. The Bloom Lake Railway will ensure that all contractors and sub-contractors adhere to this Benefits Policy in both the construction and operation phases of the railway.

#### Local Employment

CLM/BLR is committed to hiring local workers who have the skills and experience required to work on the construction and operation of the Bloom Lake Railway.

First priority, in terms of employment, will be given to qualified residents of Labrador.

Second priority, in terms of employment, will be given to qualified residents of other parts of the Province of Newfoundland and Labrador.

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CONSOLIDATED  
THOMPSON

### **Local Procurement**

CLM/BLR is committed to maximizing local economic and industrial benefits in the construction and operation of the Bloom Lake Railway.

First priority, in terms of the procurement of goods and services, will be given to businesses located in Labrador, provided such goods and services meet the required specifications and can be acquired on a commercially reasonable and timely basis.

Second priority, in terms of the procurement of goods and services, will be given to businesses located in other parts of the Province of Newfoundland and Labrador, provided such goods and services meet the required specifications and can be acquired on a commercially reasonable and timely basis.

### **A Full and Fair Opportunity**

CLM/BLR will provide all interested groups, individuals and businesses with timely project-related information to ensure a full and fair opportunity is provided to potential employees and suppliers in Labrador and in the Province of Newfoundland and Labrador generally. The Bloom Lake Railway will include this Benefits Policy in all Requests for Proposals, calls for Expressions of Interest and tenders issued for the Bloom Lake Railway Project, and will advertise all positions in newspapers in Newfoundland and Labrador. The Bloom Lake Railway will require that its contractors and sub-contractors adhere to this Benefits Policy in their hiring and procurement activities for the Bloom Lake Railway Project and to advertise all positions in newspapers in Newfoundland and Labrador.

### **Monitoring the Results**

CLM/BLR will monitor the places of residence of employees and the locations of businesses to which contracts are awarded on the Bloom Lake Railway Project and will make this information available to the Government of Newfoundland and Labrador upon request.



**Appendix B**

**Bloom Lake Railway Project Development Agreement**