



Submission to the
Impact Assessment Agency of Canada:
Public comment
on the environmental impact of the
Bay du Nord Project

Presented by
Trades NL

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WHO ARE WE?

Trades NL: The Building Trades of Newfoundland & Labrador represents all of the Local Unions that have jurisdiction in the construction, maintenance and fabrication portions of Canada's construction industry (we will use 'construction' as the generic term for the industry even though it is much more than simply the 'building' of something). This industry is found throughout Newfoundland and Labrador, Canada and our more than 18,000 skilled-tradespersons are employed constructing everything from a garden shed through to the largest and most complex buildings and projects in the Province and Canada. This includes refineries, generating stations, hydro dams, oil platforms, nuclear plants, commercial and institutional projects, along with roads, bridges, hospitals and all forms of civic infrastructure. We made up over 10% of Newfoundland's GDP in 2018 and our industry maintains and repairs trillions in assets nationally.

Our work is not just done on site, but is done in a number of facilities that provide modules or other components that are incorporated into the structures that we work on. Finally, once structures are completed and turned over to the owner we are employed in their renovation, maintenance and repurposing.

Our members are hardworking, highly-trained and highly skilled tradespeople who add much to the building and maintenance of the country and who are the backbone of the middle class.

The Local Craft Unions that compose Trades NL are:

International Association of Heat and Frost Insulators and Allied Workers, Local 137

International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, Local 203

International Union of Bricklayers and Allied Craftworkers, Local 1

Atlantic Regional Council of Carpenters, Millwrights and Allied Workers, Locals 579 & 1009

International Brotherhood of Electrical Workers, Locals 1620 and 2330

International Union of Elevator Constructors, Local 125

International Union of Operating Engineers, Local 904

International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers, Local 764

Labourers' International Union of North America, Local 1208

International Union of Painters and Allied Trades, Local 1984

The International Association of Sheet Metal, Air, Rail and Transportation Workers, Local 512

International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, Local 855

United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, Local 740

Hotel and Restaurant Workers, Local 779

INTRODUCTION

Our fundamental priorities include securing jobs for Newfoundlanders and Labradorians, advocating for training and apprenticeship opportunities, and obtaining fair treatment and decent wages and conditions for all workers. These are core issues for trade unions and Canadian workers. A provincial downturn in employment opportunities is at the heart of these issues and extremely important for us and our affiliates.

Trades NL has been a long-standing supporter of a strong, diverse, and non-discriminatory skilled workforce. We embrace diversity and inclusion and have made tremendous strides to improve our representation of disadvantaged groups such as Women, Indigenous persons and Youth. Our unions are particularly proud of the fact that many of these members are completing their apprenticeship training to become Journeypersons and climbing the ranks within our unions.

However, with a lull in construction comes a lull in the progress of our workforce. Recognizing this, we have embarked on a public relations campaign entitled NL 1st: Our Resources. Our Benefits. Our campaign is committed to ensuring that all Newfoundlanders and Labradorians benefit from projects in this province and continue our legacy of building projects that are of the highest of quality while maintaining impeccable safety standards.

OUR PRIORITIES

Having taken time to consider the Bay du Nord Development Project to be undertaken by Equinor we have identified a number of concerns regarding the environmental (socio economic) impact of the project and questions as noted below.

SCOPE OF WORK:

- Equinor states that the production installation, subsea infrastructure, topsides and processing utilities will be constructed at existing fabrication yards either locally or internationally. Therefore, the activities associated with the construction/fabrication of the production installation and/or subsea equipment are not included in the scope of work for the Project.
- Trades NL Commentary
 - Construction and fabrication work for Tradespersons within the NL Oil and Gas industry has been an essential component of this province's workforce development and a huge contributor to the province's GDP. To have them robbed of this opportunity is tragic.
 - Every Oil and Gas platform or FPSO that has been constructed for the province's offshore industry since 1997 (See Appendix A) has had a portion of the production vessel or platform construction included in the scope of work for the project. How is Equinor able to exclude this vital component of the project, from the project scope all together? We fear this is a low bar to set for a multinational operator with net assets of over \$110 billion. This low standard for required work in the province also has the potential to start a race to the bottom for the province's oil and gas sector.

- Newfoundland and Labrador's tradespersons are more than capable, and in fact have previously proved their capacity of completing the topsides, helideck, accommodations, life saving equipment and flare boom, right here in the province. Yet we have no commitment for such work.

ATLANTIC ACCORD LEGISLATION:

- All previous operators have made a commitment to develop diverse service, labour, education and training capacities within the province and have submitted Benefits Plans under the Atlantic Accord Implementation Act that reflects that commitment.

Section 45 (1) of the act states that A Benefits Plan means a plan for the employment of Canadians and in particular, members of the labour force of the Province and, subject to paragraph (3)(d) for providing manufacturers, consultants, contractors and service companies in the Province and other parts of Canada with a full and fair opportunity to participate on a competitive basis in the supply of goods and services used in any proposed work or activity referred to in the benefits plan.

*3 (d) Of the act states: **first consideration shall be given to services provided from within the Province** and to goods manufactured in the Province, where those services and goods are competitive in terms of fair market price, quality and delivery.*

Trades NL Commentary

- Again, due to the construction component of the FPSO being omitted from the scope of work for the project as submitted, there is no opportunity for us to take advantage of the act for its purpose of ensuring the province receives “full and fair opportunity to participate in the supply of good and services” nor “first consideration”.
- We are concerned that the Provincial and Federal government are being asked to approve a project that is not providing a full and fair opportunity to the workers of this province.
- We are concerned that the standard set for construction requirements within the province will be all but eliminated now and in the future for oil and gas projects. This is a dangerous, slippery slope to the bottom for our workforce and the residents and businesses of this province who all benefit from construction work such as this.

FABRICATION COMMITMENTS:

- Equinor has made an agreement with the province for 5,000 metric tonnes of work as a minimum. This work includes the manufacture of suction anchors for moorings.
- A multi-million-dollar investment will be made in a large-scale steel roller for the suction anchors.

Trades NL Commentary

- It is our experience through the last 23 years of natural resource projects that our workforce is a skilled workforce. Through the Hibernia, Terra Nova, Sea Rose, Hebron, Long Harbour and Muskrat Falls project our civil and mechanical workforce is 2nd to none, in productivity, quality and safety statistics. Providing our workforce with the opportunity

to manufacture suction anchors as a minimum is simply an insult to their professional capacity. Our workforce has participated in mega projects over the past 25 years that total over \$35 billion in investment, in this province alone! They are capable of complex and skilled work, far beyond suction anchors work.

- There will be a multi-million-dollar investment in a large-scale steel roller that will be applicable to future subsea tiebacks, and global work. Newfoundland and Labrador already have a facility in Bull Arm that is capable of serving the offshore industry and global work. We welcome the steel roller but fear that after the project it will be mothballed much like Bull Arm.

JOB CREATION:

- Equinor has stated that there will be 4 million person hours in pre-development and development phases, including 1.7 million person hours of engineering, project management and procurement work.

Trades NL Commentary

- What kinds of jobs will be created in the promised 4 million person hours of employment in the province?
- Does the promised new employment include the current and past ongoing work by Equinor in planning, developing and engineering the project?
- How does the government plan to ensure in province's workers get the required minimum amount of work and person hours considering this project is an open-bid process?
- How does government plan to ensure maximum opportunities are available for our residents?

The current unemployment rate for Newfoundland and Labrador is over 13%. Many of our members are represented by that number and would welcome the opportunity to work on this project. Large Federal investments have been made in the development in the trades and outcomes for apprentices from coast to coast to coast. But at what cost if the work cannot be kept in our Country?

We are asking the IAAC to consider the items raised herein, and to require Equinor to provide a comprehensive plan **beyond** this scope of work that demonstrates maximum opportunities for the Newfoundland and Labrador skilled trades workforce. In instances where the proponent feels it must use out-of-province/country workforce, or take work elsewhere to be fabricated, government should establish benchmarks that must be met, in a transparent manner, openly available to those with a vested interest in the project.

CONCLUDING REMARKS

Our affiliates have a long and proud record of representing and standing up for the interests of Newfoundlanders and Labradorians in this province.

Trades NL appreciates the Impact and Assessment Agency of Canada's willingness to hear our concerns with the Equinor Bay du Nord Project and ask that these be addressed before granting approval for the project to proceed. We are certain that Government is aware of the impact this project can have on the provincial construction industry and the socio-economic health of this province. We ask that you take all measures, working collaboratively with the proponent and interested stakeholders, ensuring the maximum possible opportunities for fabrication and employment are delivered for Newfoundland and Labrador residents.

All of which is respectfully submitted,

Trades NL

The Building and Construction Trades Council of Newfoundland and Labrador

Darin T. King, PH. D

Executive Director

Appendix A – Newfoundland and Labrador Oil and Gas Projects



Hibernia GBS Platform

- Newfoundland and Labrador's inauguration to the Oil and Gas Industry
- Total investment of \$5.8 Billion dollars
- Approximately 5,800 employed during construction
- Topsides & GBS completed in Bull Arm
- First Oil, November 17, 1997



Terra Nova FPSO

- 2nd oil field to be developed offshore Newfoundland and Labrador
- Total investment of \$2.8 Billion dollars
- Approximately 1,100 employed during construction
- Fabrication, hook up and commissioning completed in Bull Arm
- First Oil, January 20, 2002
- Field life extended to 2031



Sea Rose FPSO

- 3rd oil field to be developed offshore Newfoundland and Labrador
- Total investment of \$2.35 Billion dollars
- Approximately 1,000 employed during construction
- Fabrication, installation, hook up and commissioning completed in Marystown
- First Oil, November 12, 2005



Hebron GBS Platform

- 4th oil field to be developed offshore Newfoundland and Labrador
- Total investment of \$8.3 Billion dollars
- Approximately 9,000 employed during construction
- GBS, DSM, LQ, Helideck, Flare Boom and Lifeboat fabricated/assembled in Bull Arm
- Hook-up, commissioning & mating completed in Bull Arm
- First Oil, November 27, 2017



West White Rose GBS

- 5th offshore oil and gas project for Newfoundland and Labrador
- Total investment of \$3.2 Billion dollars
- Approximately 1,800 employed during construction
- GBS, Hook-up, commissioning & mating to be completed in White Rose field
- Living quarters, flare boom, helideck and lifeboat stations fabricated/ assembled in Marystown
- First Oil, expected 2022



Bay du Nord FPSO

- 1st remote, deep water project in Newfoundland and Labrador's offshore
- 6th oil and gas project for Newfoundland and Labrador
- Total investment of \$6.8 Billion dollars
- Number of construction jobs in province **unknown**
- Suction anchor moorings to be fabricated in province
- Fabrication of **all other components** will be contracted **internationally**