

COMMITMENT

The project proponents recognize and respect the desire of northerners to have an opportunity to participate in, and benefit from, the Mackenzie Gas Project.

The project proponents are committed to working collaboratively with aboriginal and nonaboriginal residents in northern communities, and with other Canadians, to develop and implement benefits plans. These plans will emphasize opportunities for aboriginal and nonaboriginal northern participation in all phases of anchor field, gathering system and transmission pipeline system development. Contractors and subcontractors working on the project will also be required to foster business, employment and training opportunities for aboriginal and other northern residents.

The involvement of the APG in the Mackenzie Valley Pipeline, through the Memorandum of Understanding (MOU), has contributed to enhancing aboriginal participation in, and benefits from, the Mackenzie Valley Pipeline. The arrangements remaining to be negotiated for the Mackenzie Valley Pipeline under the terms of the MOU will continue to enhance this participation and benefits.

The project proponents plan to address benefits to aboriginal and other northern residents, and other Canadians, for all components and phases of the project.

The benefits plans will focus on such matters as:

- identifying employment and business opportunities
- enhancing human and business capacity through general educational and technical training programs, so that aboriginal and nonaboriginal northerners can pursue those opportunities

The intent is to identify these opportunities during the Project Definition Phase. Project representatives will work with the providers of existing education and training programs. Using their program delivery methods and infrastructure will enhance the ability of aboriginal and other northerners to pursue the education and training that will help them access employment opportunities. Where necessary, this period will enable the appropriate education and training programs to be designed and implemented.

GUIDELINES FOR PLAN DEVELOPMENT

The MOU signed in October 2001 contains, among other matters, a statement of principles that will serve as a guideline for developing and establishing the benefits plans.

GUIDELINES FOR PLAN DEVELOPMENT (cont'd)

Applying the same guiding principles to the gathering system and the anchor field developments would provide consistency among these arrangements. Specific regional and local circumstances will be recognized in the benefits plans.

STATUS OF BENEFITS PLANS

Benefits plans for aboriginal and nonaboriginal northern participation in the project are being developed with organizations and communities in the Mackenzie Delta and Mackenzie Valley.

The benefits plans will be an important aspect of the Socio-Economic Impact Assessment (SEIA) mitigation plan being developed as part of the regulatory application.

The benefits plans will be submitted with the various regulatory applications.

REGULATORY REQUIREMENTS

Under certain land claims agreements and processes, unless the designated aboriginal organization agrees otherwise, project proponents are required to negotiate participation agreements when they wish to:

- access lands owned by the aboriginal beneficiaries of these agreements
- seek approval to cross such lands to access and exercise their rights on Crown lands

In implementing their corporate commitments, the project proponents will also comply with a number of regulatory and legal requirements for benefits plans. For example:

- Section 5.2 of the Canada Oil and Gas Operations Act requires that a project proponent develop a benefits plan that provides Canadians with employment opportunities as well as full and fair opportunity to participate competitively in supplying goods and services related to the development of the natural gas resources
- relative to the proposed Mackenzie Valley Pipeline, Section 52(d) of the National Energy Board Act provides that the NEB, in determining whether to issue a Certificate of Public Convenience and Necessity, may consider the extent to which Canadians will have an opportunity to participate in the financing, engineering and construction of the pipeline

EMPLOYMENT INITIATIVES

Education

Northern residents are encouraged to acquire the skills and training needed to qualify for the job opportunities created by the project. To foster education, project representatives plan to:

- work with schools, including students, teachers and school administrators, as well as the GNWT, to ensure an adequate understanding of the work and career opportunities resulting from the project, and the related education requirements
- develop petroleum-industry materials that could be used in schools

Training

To enhance training opportunities for northerners, project representatives plan to:

- work with local communities, to identify candidates for training and their training requirements
- work with pipeline contractors and oil and gas companies in the Mackenzie Delta, to provide training opportunities
- support existing and additional training initiatives, such as the work of the Pipeline Operations Training Committee. Through this committee, several petroleum companies, in collaboration with the GNWT, Aurora College and technical institutes in Alberta, are developing a training program that will prepare northerners for potential long-term employment during the project's operating phase.

Job Opportunities

Project representatives plan to foster opportunities for employment by:

- working with employment officers and staff in local communities, government agencies and aboriginal organizations to help recruit qualified aboriginal and other northern employees
- pursuing hiring practices that are designed to provide opportunities for qualified aboriginal and other northern residents

To encourage northerners to participate in the employment opportunities created by the project, the project proponents will:

Job Opportunities (cont'd)

- identify employment opportunities early
- consider equivalency to education levels required for some jobs, where appropriate
- hire qualified local residents
- establish on-the-job support

PRELIMINARY EMPLOYMENT ESTIMATES

The proposed project is expected to create employment opportunities for an estimated:

- 2,600 people in short-term positions during the peak construction period
- 50 people in permanent, long-term positions in pipeline and facility operations

These job estimates, which are based on preliminary studies, are related directly to the gathering and transmission pipeline systems as the project moves from the Project Definition Phase through the Construction Phase to the Operations Phase. More short-term construction positions will be associated with the single-phase design than with the two-phase design.

The anchor field development activities will result in additional opportunities for employment. These activities include:

- constructing pads and facilities
- drilling and well servicing
- operating facilities

Project Definition Phase

During the Project Definition Phase, most jobs will be associated with engineering studies, environmental assessments and community consultation activities. An estimated 130 jobs are expected to be created to support this phase of the project.

Construction Phase

Preconstruction

Preconstruction will be scheduled to support major pipeline and facility construction. An estimated 540 jobs could be available during the preparatory activities to provide infrastructure requirements. These will include granular material supply, access road construction, camps and catering.

Pipeline Construction

The proposed gathering and transmission pipeline systems are expected to be constructed over the course of two winter seasons. Each pipeline spread will require crews for:

- clearing
- grading
- digging ditches
- stringing pipe
- bending pipe
- welding pipe
- backfilling
- tying-in pipe
- cleaning up
- testing pipe

Some river crossings might be completed during the summer. Crew requirements will generally be lower during this period.

About 2,300 jobs will be created by the major activities associated with pipeline construction.

Facilities Construction

Facilities will be constructed all year and will mainly involve preparing sites and installing compressor stations and related facilities.

Some facilities will be constructed at the site. Others will be modularized and prefabricated elsewhere, then shipped to the site for assembly and installation.

About 250 jobs will be created by the construction of project facilities.

Operations Phase

After all pipelines and related facilities have been constructed and tested, pipeline and facility operations will begin.

About 50 full-time employees will be required to operate the pipelines and related facilities. Additional opportunities will be associated with facility maintenance and pipeline surveillance activities, as well as anchor field operations.

BUSINESS DEVELOPMENT INITIATIVES

The proposed project will generate a need for goods and services throughout the definition, construction and operations phases. Much of the employment will be supplied through contractors and suppliers.

The project proponents are committed to fostering the development of aboriginal and northern businesses. To encourage northern suppliers and contractors to participate in the sustainable business opportunities created by the project, the project proponents will:

- identify the business opportunities and potential northern suppliers of goods and services, early in the project
- facilitate northern sourcing by breaking appropriate contracts down into smaller components
- contract locally, where northern businesses are:
 - internationally cost competitive at the point where the goods and services are required
 - able to meet or exceed specified safety, quality and technical standards as well as the project's timing requirements

Project representatives will work with local businesses, to ensure that they are:

- aware of the opportunities created by the project
- notified about any prequalification process
- familiar with safety requirements, bidding procedures and business processes

TYPES OF OPPORTUNITIES

[Table 7-1](#) lists the types of goods and services likely to be required by the project.

Table 7-1: Potential Business Opportunities

Category	Typical Goods and Services
Accommodation and Related Services	<ul style="list-style-type: none"> • Apartments, hotels and motels • Camps, camp catering, camp supplies • Restaurants • Taxi, laundry and dry-cleaning services • Retail and wholesale grocery supply • Water delivery, sewage treatment, snow removal and garbage disposal
Communication	<ul style="list-style-type: none"> • Telecommunications, cellular phones, high-speed internet and cable TV
Construction – Facilities	<ul style="list-style-type: none"> • Surveying • Building supplies, hardware, paint, lumber supply and plywood • Electrical contracting and supplies • Plumbing contracting and supplies • Carpentry and finishing • Heating, ventilation and air conditioning supply, installation and maintenance • Electrical power generation and supply • Concrete, crushed rock, sand, gravel and ready-mix products • Forms, rebar, cribbing, cement finishing and masonry products
Construction – Pipeline	<ul style="list-style-type: none"> • General contracting • Timber for pipeline skids and survey laths • Welding services and supplies, such as acetylene and oxygen
Equipment	<ul style="list-style-type: none"> • Industrial supplies, steam and high-pressure water • Small engine repair, small equipment supply and rental • Heavy-duty equipment rental, repairs and service • Drilling equipment for core samples
Fuel and Fuel Storage	<ul style="list-style-type: none"> • Bulk fuel, propane, diesel fuel, aircraft fuel, gasoline, fuel oil, grease, lubricating oil, glycol and chemicals • Propane and fuel storage tanks, oil and diesel fuel tanks, fuel delivery and storage
Office Requirements	<ul style="list-style-type: none"> • Security and janitorial services • Office space, supplies, furniture, computers and other equipment
Personnel Requirements	<ul style="list-style-type: none"> • Secretarial, clerical, word processing, accounting, bookkeeping and payroll services • Travel services • Banking services
Safety and Medical	<ul style="list-style-type: none"> • Medical facilities, supplies, services, air and ground ambulance, dentistry, optometry and prescription drugs • Safety equipment, supplies and training
Logistics	<ul style="list-style-type: none"> • Materials handling, expediting, freight transport, light delivery and courier services • Air transport, aircraft charters and maintenance • Vehicle sales, rentals, repairs and service • Charter boats and barges

Table 7-1: Potential Business Opportunities (cont'd)

Category	Typical Goods and Services
Drilling, Completions and Well Servicing	<ul style="list-style-type: none">• Drilling contracting• Service rig contracting• Coiled tubing services• Wireline services• Well testing services• Water filtration services• Well-site trailers• Pressure trucks