



CBTU SMCC

CANADA'S BUILDING TRADES UNIONS
LES SYNDICATS DES MÉTIERS DE LA CONSTRUCTION DU CANADA

Presentation to OEB Energy East Pipeline Project

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Introductions

- Canada's Building Trades Unions (CBTU)
- Ontario Provincial Building and Construction Trades Council (OPBCTC)
- The United Association of Journeyman and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada



Project Overview

- Nation Builder & Energy Security
- Phases
 - The Line itself
 - Facilities & Stations
 - Commissioning
 - Operations
 - Maintenance
 - Remediation
 - Dig-ups
 - Loops
 - Recovery



What is A Pipeline??

- Conduit, Utility and a Connector
- What does it connect?
 - Extraction and Process/Distribution/Use
 - Jobs and Jobs at either ends
 - High paying, High skilled, Challenging Jobs
 - Irving, Ultramar, Petro-Canada with similar Jobs in the West



JOBS



- Conference Board of Canada predicts:
- 13,690 Construction FTE's (over 7 years)
- 3,273 Operating FTE's (over 20 years)
- Future FTE's required (900 operations – 2,400 indirect & **maintenance**)

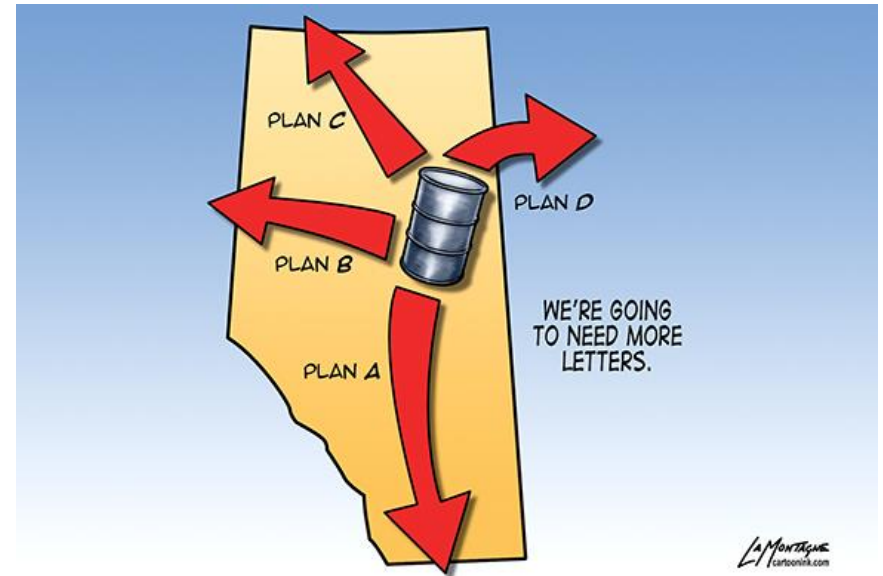
JOBS

- Rules of Thumb
 - \$1 billion = 5 – 6 million work hours on Industrial Work
 - The Stations & Facilities therefore
 - Maintenance on those Industrial Jobs \$1 billion = 200-250 full time trades jobs
- The Spreads for Pipeline Work
 - 800 workers/spread and for the Pipeline seasons



Economic Dimension

- Supply ourselves??
- Secure North American Market
 - One customer hostage to.....
- Auto-Pact Moment??



JOBS

- The President of the US got it wrong
 - “Temporary Jobs”
- Direct
- In-direct
- Induced
 - Gloves, Rain Gear, Safety Gear
 - Restaurants & Gas Stations



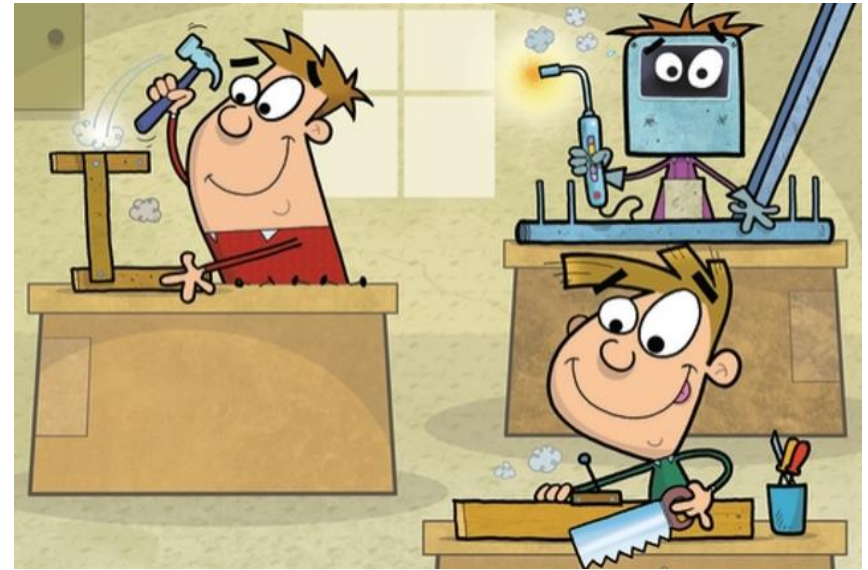
The Relationship of Pipeline to Other Work

- No Pipeline Capacity
 - Estimates 450K bpd deferred 2015-17 if Keystone doesn't go
- Price of the commodity?
- ***What a pipeline does as a conduit -- it connects***
- The Stations
- Slurry, gathering and distribution
- Maintenance
- The Termination Points, which create a number of other jobs as well



Apprenticeships

- 30,000 new apprentices in Ontario last year
- 120,000 total apprentices currently in training
- The other provinces in equal proportion
- Opportunity on 72 Stations
 - Once they are built, maintenance/trades jobs for the life of the Line



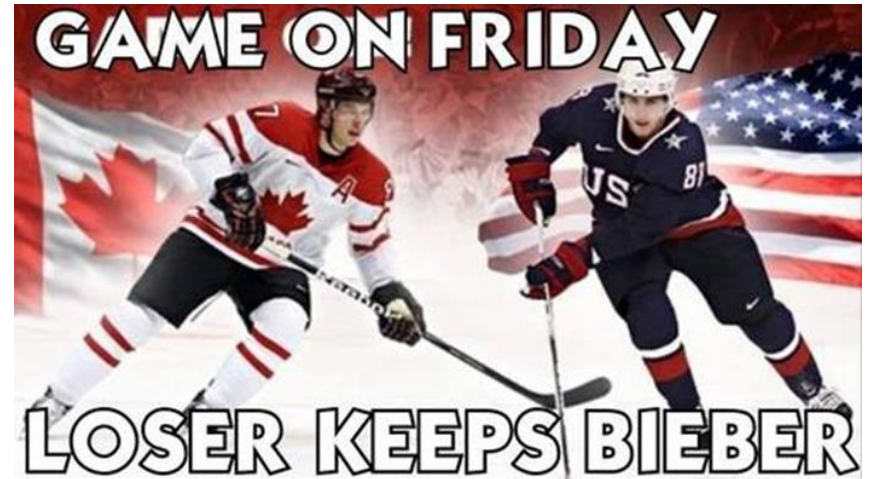
Public Safety



- Pipeline systems offers the safest mode of transportation for gas and oil products.
- **Especially when built and operated by a well trained and skilled work force.**
 - **CAPP Commercial.....**

Energy Security

- National Importance
- Generational Significance
 - Jobs for a generation
- No dependence on Foreign Oil/Export capacity/not hostage to someone's politics???



Pipeline Safety



- 2.8 million miles of Pipeline in Canada and the US – safety 99.998%
- Monitoring 24 hours a day
- Steady technical & incident improvement
- We build them to endure
 - Welds/Testing/Training
 - QC & NTD

Rail Shipments are Up

- Up by 83% in 2013
- Up by 22% in 2104
- In 2015 140,000 carloads more for CP alone
- Rail costs as much as 3 times more but no permits and little red tape
- The inability to get product to market has driven down the price of Canadian crude which makes the rail cost tolerable
- **Product will get to market**



The US State Department Report (Chapter 5) on Keystone XL says.....



- GHGs 42% higher for rail
- GHGs 28% for tanker/rail
- Rail highest number and volume of releases of oil
- Adding 830,000 bbls/day could annually cause 49 injuries and 6 fatalities by using rail versus 1 injury and 0 fatalities for pipeline

Risky on Rail??

US Pipeline and Hazardous Material Association –
derailments spilt 4.3 million litres of oil in 2013 compared to 3 million litres in the pervious 37 years combined



Top 3 Benefits (in no particular order)

- Opportunity to employ trades people and train apprentices – now and tomorrow
 - At home in their communities
 - Economic Impacts short and long term
- No Dependence on Oil from People who might not like us that much
- A safe and economical way to move a Canadian Product to Canadian Producers





***Merci,
Avez-vous des Questions?***