

**JOINT REVIEW PANEL FOR THE ENBRIDGE
NORTHERN GATEWAY PROJECT
COMMISSION D'EXAMEN CONJOINT DU PROJET
ENBRIDGE NORTHERN GATEWAY**



**Hearing Order OH-4-2011
Ordonnance d'audience OH-4-2011**

**Northern Gateway Pipelines Inc.
Enbridge Northern Gateway Project
Application of 27 May 2010**

**Demande de Northern Gateway Pipelines Inc.
du 27 mai 2010 relative au projet
Enbridge Northern Gateway**

VOLUME 155

**Hearing held at
Audience tenue à**

**Chances Prince Rupert
240 West, 1st Avenue
Prince Rupert, British Columbia**

**March 18, 2013
Le 18 mars 2013**

**International Reporting Inc.
Ottawa, Ontario
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Canada

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as represented by the Minister of the Environment
and the National Energy Board

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participant à l'audience publique.

Imprimé au Canada

HEARING /AUDIENCE

OH-4-2011

IN THE MATTER OF an application filed by the Northern Gateway Pipelines Limited Partnership for a Certificate of Public Convenience and Necessity pursuant to section 52 of the *National Energy Board Act*, for authorization to construct and operate the Enbridge Northern Gateway Project.

HEARING LOCATION/LIEU DE L'AUDIENCE

Hearing held in Prince Rupert (British Columbia), Monday, March 18, 2013
Audience tenue à Prince Rupert (Colombie-Britannique), lundi, le 18 mars 2013

JOINT REVIEW PANEL/LA COMMISSION D'EXAMEN CONJOINT

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H. Matthews	Member/Membre

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- Ms. Laura Estep
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- Mr. Darryl Carter

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- Ms. Caroline O'Driscoll

BC Nature and Nature Canada

- Mr. Chris Tollefson
- Mr. Anthony Ho
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- Mr. Tim Leadem, Q.C.
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- Ms. Carrie Humchitt
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- Ms. Lisa Fong

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- Mr. Walter Thorne
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- Ms. April MacLeod
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- Ms. Carol Hales
- Ms. Rebecca Brown
- Mr. Asad Chaudhary
- Mr. Neil Patterson

ERRATA

(i)

Saturday, March 16, 2013 - Volume 154

Paragraph No.:

29140:

“...any other First Nation. We had, I believe,...”

29145:

“That assessment would be the ability to travel.”

29159:

“...it’s a First Nation finishes the study. They then provide it...”

29167:

“...or what we -- COPCs,...”

29168:

“...then recommend a follow-up or mitigation, as appropriate.”

29176:

“...the Michel First Nation and Janet Whitney...”

29177:

“...every other First Nation request to complete confidentiality...”

29215:

“...to find sort of optimal balance between...”

29216:

“...we have a land service that’s travelable.”

29281:

“...very broad and high level where effects are...”

Should read:

“...any other First Nation, we had, I believe,...”

“That assessment would include the ability to travel.”

“...as a First Nation finishes the study, they then provide it...”

“...or what we refer to as COPCs,...”

“...then recommend follow-up or mitigation.”

“...the Michel First Nation and Janet Whitney...”

“...every other First Nation requested complete confidentiality...”

“...to find the optimal balance between...”

“...we have a land surface that’s travelable.”

“...very broad and high level whereas effects are...”

ERRATA

(ii)

Saturday, March 16, 2013 - Volume 154

Paragraph No.:

29408:

“...right-of-way that Mr. Green that mentioned,...”

29604:

“...were in to date would use information...”

29616:

“...and aid in sort of follow-up and monitoring...”

29728:

“...or the issues that said -- that were raised during that meeting.”

29729:

“...with respect to the significant of adverse effects...”

29780:

“...sharing and information agreement.”

29800:

“In each if the valued environmental components...”

29804:

“...the support, the current use of the resources and land...”

29809:

“...this case and how your interpretation of it...”

29819:

“...at the Morice River as a result of the oral evidence...”

Should read:

“...right-of-way that Mr. Green has mentioned,...”

“...we’re in to date would use information...”

“...and aid in follow-up and monitoring...”

“...were the issues that said -- that were raised during that meeting.”

“...with respect to the significance of adverse effects...”

“...sharing of information agreement.”

“In each of the valued environmental components...”

“...that support the current use of the resources and land...”

“...this case and your interpretation of it...”

“...at the Morice River. As a result of the oral evidence...”

ERRATA

(iii)

Saturday, March 16, 2013 - Volume 154

Paragraph No.:

29940:

“...looking at sites...”

Should read:

“...looking for sites...”

TABLE OF CONTENTS/TABLE DES MATIÈRES

(i)

Description	Paragraph No./No. de paragraphe
Opening remarks by the Chairperson	29964
Preliminary matters brought forward by Ms. Graff	29966
Preliminary matters brought forward by Ms. Estep	29971
<u>Enbridge Northern Gateway Panel 4 - Prince Rupert Aboriginal Engagement and Public Consultation</u>	
Ms. Janet Holder	
Mr. Paul Anderson	
Mr. John Carruthers	
Mr. Ray Doering	
Mr. Jeffrey Green	
Ms. Catherine Pennington	
Ms. Michele Perret	
Ms. Jan Whitney	
- Examination by Ms. Brown	29991
- Examination by Member Matthews	30349
- Examination by Member Bateman	30547
- Examination by the Chairperson	30843
- Examination by Mr. Chaudhary	30981
<u>Enbridge Northern Gateway Panel 4 - Prince Rupert Shipping and Navigation</u>	
Mr. John Carruthers	
Mr. Jerry Aspland	
Mr. Jens Bay	
Mr. Audun Brandsaeter	
Mr. David Fissel	
Mr. Al Flotre	
Mr. Keith Michel	
Mr. Steven Scalzo	
Mr. Thomas Wood	
Mr. Michael Cowdell	
Mr. Henrik Kofoed-Hansen	
- Examination by Mr. Crowther	31043
- Examination by Mr. Tollefson	31278

LIST OF EXHIBITS/LISTE DES PIÈCES

(i)

No.	Description	Paragraph No./No. de paragraphe
AQ74-A	BC Nature and Nature Canada - Psarros et al., (2010) Under-reporting of maritime accidents. Accident Analysis and Prevention, 42(2), 619-625.	31453
AQ74-B	BC Nature and Nature Canada - Hassel et al., (2011) Under-reporting of maritime accidents to vessel accident databases. Accident Analysis and Prevention, 43(6), 2053-2063.	31453

RULINGS/DÉCISIONS

(i)

Description

Paragraph No./No. de paragraphe

UNDERTAKINGS/ENGAGEMENTS

No.	Description	Paragraph No./No. de paragraphe
U-75	For Northern Gateway to take the ripple effect numbers and calculate the number of opportunities for Aboriginal people.	30600
U-76	By Enbridge to provide information on the retention percentage of Aboriginal employees who work for Enbridge Northern Gateway.	30763

--- Upon commencing at 8:28 a.m./L'audience débute à 8h28

29964. **THE CHAIRPERSON:** Good morning.

29965. Ms. Graff, do you have a preliminary matter you wish to raise this morning?

29966. **MS. GRAFF:** Yes, I do, Madam Chair. Good morning.

29967. I'd simply like to advise the Panel that the Province of British Columbia has yet again amended its time estimate for cross-examination of the Shipping and Navigation Panel, from four hours to six hours. Thank you.

29968. **THE CHAIRPERSON:** Thank you for letting us know.

29969. Are there any other preliminary matters this morning?

29970. Ms. Estep?

29971. **MS. ESTEP:** Good morning, Madam Chair, Panel Members.

29972. We have one correction this morning. Ms. Whitney will speak to that, and then I understand she'll pass it over to Mr. Carruthers.

JANET HOLDER: Resumed

PAUL ANDERSON: Resumed

JOHN CARRUTHERS: Resumed

RAY DOERING: Resumed

JEFFREY GREEN: Resumed

CATHERINE PENNINGTON: Resumed

MICHELE PERRET: Resumed

JAN WHITNEY: Resumed

JEFF PAETZ: Resumed

29973. **MS. JAN WHITNEY:** Thank you.

29974. I need to make a correction to Transcript Volume 154, at line 29373, but before I do this, I'd like to call up Exhibit B24-2, Adobe page 42, section 4.1.

29975. The first paragraph labelled number 1. In responding to the question

at line 29372:

"So would you agree that Michel First Nation is located within the Project [corridor] area?"

29976. I responded "yes", and I should have responded "No". Michel First Nation does not have a community located within the project engagement area as outlined in the criterion regarding eligibility requirements noted in section 4.1 of Exhibit B24-2.

29977. Also, that would have changed my response to line 29395. I said "Yes", and I should have said "No", because there are other criteria they did not meet.

29978. **MR. JOHN CARRUTHERS:** In the same transcript, 154, in paragraph 29343, I noted that:

"The equity offering would have been firmed up in 2011 because there was an election period at the end of 2011."

29979. That is correct in that the formal agreement was finalized in mid-2011, but what I was really trying to note was that the eligibility had to be determined well in advance. And that would have been finalized in the last half of 2010, because we had initiated discussions with communities at the end of 2010. So we had to have a definitive list who to make the 10 percent work and be meaningful.

29980. Also, in paragraph 29332, Ms. Campbell asked:

"...to follow up, in this case, when you say 'communities' do you mean Aboriginal groups?"

29981. And in my response I said "Yes", intending it to mean Aboriginal versus non-Aboriginal, but I did not mean to try and say communities was the equivalent of Aboriginal groups. Communities are one aspect of Aboriginal groups as defined in B2-26, at the top of Adobe page 11.

29982. So the -- as per our evidence, communities are part of Aboriginal groups.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

29983. **THE CHAIRPERSON:** I believe that concludes the preliminary matters.

29984. Ms. Brown, are you on the line with us today?

29985. **MS. BROWN:** Yes, I am.

29986. **THE CHAIRPERSON:** Oh, that's terrific. Good morning. And are you on WebEx as well?

29987. **MS. BROWN:** No, I am not.

29988. **THE CHAIRPERSON:** Okay. Thank you.

29989. So please begin with your questions of this panel.

29990. **MS. BROWN:** Okay. Thank you for having me this morning.

--- EXAMINATION BY/INTERROGATOIRE PAR MS. BROWN:

29991. **MS. BROWN:** In regard to the public consultation program, I'm referring to B83-26, Adobe 9 at this point.

29992. And in this paragraph, I would like some clarification from -- regarding the statement in that there's consequently Northern Gateway heard that stakeholders do not wish to attend the meetings such as they're fearful of expressing support or even a neutral stance towards the project. And I would like to have that explained.

29993. **MS. MICHELE PERRET:** So Ms. Brown, it's Michele Perret here.

29994. Are you talking about the first paragraph?

29995. **MS. BROWN:** Yes, I am.

29996. **MS. MICHELE PERRET:** Okay. Just give me one second.

--- (A short pause/Courte pause)

29997. **MS. MICHELE PERRET:** So this is the reply evidence that was

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

filed in the summer or around mid-2012.

29998. What we're referring to here is the fact -- and actually, how some of the coffee chats arose is we were finding that there were seeing similar people showing up at many of the meetings that were being organized and, on further investigation, we discovered that some people did not want to attend those meetings. Some of the meetings did have protesters. And there was a certain amount of intimidation for people to either walk past the protesters or to go into a meeting where the -- where the environment may be uncomfortable.

29999. And so the team tried to find other ways of engaging those stakeholders to allow their voices to be heard, to hear their questions and to answer their questions.

30000. **MS. BROWN:** Would you agree as a comment for dialogue, that a full spectrum of conversation, both negative and positive, is beneficial within a -- within these consultation pieces?

30001. **MS. MICHELE PERRET:** So we do want to hear from all sides of the -- of the stakeholders. And what this is referring to is that there are certain stakeholders who just are not necessarily comfortable in certain environments. So we've tried to create different -- different merge lanes or different avenues for people to join that conversation.

30002. And in some cases, it can be through the website. So I think when the -- I shouldn't say I think because the -- the reality is that there were over 300,000 hits, new distinct hits to the website when it was redesigned to allow people to ask questions about the project.

30003. **MS. BROWN:** Okay. In -- on Adobe page 33, in the third paragraph, so just wondering how this promotes dialogue:

*“The intent of the Alliance is not to ‘divide and conquer’.
[But] is meant to provide a safe environment, [able to] raise
questions and concerns and receive information. [...] ...without fear of intimidation...”*

30004. So I'm wondering how this promotes dialogue?

30005. **MS. MICHELE PERRET:** So this is a good example of what I was

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

just describing as one of the avenues that have been used to hear questions about the project. And as I've said this past week, and outside of this hearing, that a lot of those questions and conversations have led to changes to the project to -- to I think result in a very -- a very good project and one that is different from what we initially started talking about in 2003-2004.

30006. **MS. JANET HOLDER:** Sorry, it's -- it's Janet Holder here this morning, good morning.
30007. I just want to also add to what Ms. Perret is saying, that what we're doing here in this -- she said the Alliance is a good example where people come to the Alliance, they do not have to state a position. They don't have to say they support. They don't have to say they're neutral. They don't have to say they oppose, but they have a chance to learn more about the project with keeping that information very confidential to them.
30008. That is also the same situation in our CABs, but in other venues, they were established such that it would have been known if you supported, and it was those venues that we found that a lot of individuals didn't want to come out and publicly state they supported for fear of retaliation.
30009. So that's -- this is why we created some of these other opportunities that are very, very neutral and nobody has to take that stance.
30010. **MS. MICHELE PERRET:** And I just -- oh sorry, I just want to add on to that that some of those conversations have developed out of -- we've facilitated tours of the oil sands, of -- of refineries, our facilities. We've had our senior management enter into the communities, our -- our retired president and CEO has -- has met in various communities to -- to hear questions and to -- and to answer questions. We've had our executive vice-presidents at several meetings in various locations.
30011. We've also tried to use different venues to -- when we hear the questions, we've talked about trying to address those questions using different venues, but we've also used different speakers. So we've had experts in, say, in Kitimat last August, we did a tour of several communities of some of the subject matter experts talking about leak detection, corrosion, integrity management and emergency response.
30012. We also have had experts like Dr. Brian Bornhold talking about how

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

- are tsunamis developed and -- and what is the effect of those. We've also had Peter Tertzakian, an economist, talk about the project and there's -- there's a long list of -- of different ways that we use to try to -- to have these conversations.
30013. And -- and, you know, I guess collaboration is -- is really a key in these -- in these meetings and conversations because it's really an effort to try to have a conversation and find out what -- what is the -- what is the concern and whether or not we can address that -- that concern.
30014. And we do -- although we do see people that are emotionally charged in -- in these meetings, sometimes those who choose to stand outside of these meetings and protest the meeting as opposed to come in and have a discussion, those voices do get lost. So we try to encourage the more collaborative approach, and as I said already, we -- we try different methods to do that.
30015. **MS. BROWN:** So you feel collaboration is key to having the conversation, okay.
30016. **MS. MICHELE PERRET:** I -- I think that -- I think that having a conversation in a respectful way is -- is key.
30017. **MS. BROWN:** Okay. Was the Northern -- the formation of the Northern Alliance part of the public consultation process?
30018. **MS. MICHELE PERRET:** I think I answered that, that is another way for -- for people to ask questions about the project.
30019. **MS. BROWN:** It was a prominent piece within the documents and well described. So I'm wondering, was it an initial endeavour or was it -- I understand it was formed by someone else; is that correct?
30020. **MS. MICHELE PERRET:** So ---
30021. **MS. BROWN:** I'm just referring to -- in B2-02, Adobe 20 and 21, it states in response to attempts by organizations to stop the project before the regulatory review Northern Gateway Alliance recruited members to support the regulatory review.
30022. So my question is, was the Northern Gateway -- Northern Alliance part of the initial plan within the public process -- public consultation process or

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

did it evolve during it or...

30023. **MS. MICHELE PERRET:** So it was not part of the original plan, as we've -- we've discussed many times, we've been out talking about the project since around 2003. I myself have been out talking about the project since 2005 and -- and I can confirm that the Alliance was not part of those discussions or there was not that format at that time.

30024. In -- in 2009, well I guess late in 2008 as well, we were approached by many people who were concerned that there was a lot of opposition to the project and specifically opposition to the -- the regulatory process that was being discussed for this project and that being a Joint Review Panel versus say a public inquiry.

30025. And the -- the Alliance grew out of those discussions and it was launched in May of 2009 and the Chairperson is Colin Kinsley, the former mayor of -- of Prince George and he basically took on the responsibility of identifying, messaging what information would be of interest to -- to this group of people. And as I said last week, this group of people has now grown to beyond 2,000 people.

30026. **MS. BROWN:** So they became part of the public consultation process that was organized by Enbridge?

30027. **MS. MICHELE PERRET:** Yes. So I -- I think I've listed off -- off many and I'm sure that I'm missing several of the -- of the efforts that we have made to try to provide information as well as to listen to people about the project.

30028. **MS. BROWN:** So on Adobe 20 of, I think it's 83-26, I could be wrong, your public consultation process is designed to communicate with all stakeholders and encourage engagement -- sorry. So this, you feel that Northern Gateway or Northern Alliance is doing this piece?

30029. **MS. MICHELE PERRET:** Could you bring me back to the reference, Ms. Brown? I'm not sure.

30030. **MS. BROWN:** I think -- I didn't write the -- I think it's B83-20 or 26, Adobe 20.

30031. **THE CHAIRPERSON:** Ms. Brown, B83-26, is that right?

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

30032. **MS. BROWN:** Yes.
30033. **THE CHAIRPERSON:** And then Adobe page 20?
30034. **MS. BROWN:** I believe, yes. I think maybe not. Sorry, I didn't put
the...
30035. **THE CHAIRPERSON:** The reference that you're bringing up is
apparently a blank page, Ms. Brown.
30036. **MS. BROWN:** Yeah, I see that, yes, yes. Just let me go back here.
It's probably in the B2 -- where are we? Sorry, I'm working off a computer here,
it's a little slow.
30037. No, I don't have the correct reference but in -- within that, you're --
you state that your intention for public consultation is designed to communicate
with all stakeholders and encourage engagement.
30038. And you use this statement, you know, throughout your document so I
don't think it's important that it be referenced. So am I correct in that in the
public consultation process it's designed to communicate with all stakeholders
and encourage engagement; correct?
30039. **MS. MICHELE PERRET:** Yes.
30040. **MS. BROWN:** Okay, all right. And this -- and the Northern Alliance
was part of that piece along with other groups, okay.
30041. What is the annual budget for the Northern Alliance? Or who funds
them?
30042. **MS. MICHELE PERRET:** So we fund the Northern Gateway
Alliance. As we've mentioned in the evidence, we pay for the administrative
fees, as well as for Colin Kinsley's time as chairperson.
30043. **MS. BROWN:** Okay. So you do pay a salary. Okay.
30044. **MS. MICHELE PERRET:** I wouldn't describe it as a salary. I
would describe it as we pay for the time and -- that he puts into as chairperson of

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

the Alliance.

30045. **MS. BROWN:** So he submits hours or -- is that correct? Is that how that would work?

30046. **MS. MICHELE PERRET:** Yes.

30047. **MS. BROWN:** Okay. So all right, do you know -- do you have a budget of that? What is the budget for the Northern Alliance?

30048. **MS. ESTEP:** Madam Chair, this was a question that was raised in information requests and Northern Gateway declined to provide that information, at that time. I can provide the exhibit number if that's helpful?

30049. **MS. BROWN:** Okay. Can you tell me what the difference is between the CAB and the Northern Alliance?

30050. **MS. MICHELE PERRET:** So I would say that I have spent a lot of time and probably -- I've spent a lot of time in the last week talking about the CABs and I also -- and maybe Ms. Brown, you might have missed some of the discussion that I had last week and I'm sorry, I don't remember who it was with but I also described the -- some of the communication that goes on with respect to the Alliance.

30051. So I think that the record shows the various information that we've provided to the Alliance through our evidence that we've filed in B2-26 and in B22-- and sorry, I won't go through all of the references.

30052. **MS. BROWN:** Right.

30053. **MS. MICHELE PERRET:** But -- so there is -- the same project information is provided throughout all our various consultation efforts. The way that the information is provided may be slightly different.

30054. **MS. BROWN:** But what is the difference between the intent or how these -- the CAB is very different, I would presume, from the Northern Alliance but what are the differences?

30055. **MS. JANET HOLDER:** I think as Ms. Perret pointed out, I think our evidence clearly indicates one of the differences with the Alliance, the Alliance

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

was really driven around the supporting the regulatory process and believing in the extent and the transparency and the value of the regulatory process.

30056. In doing that, of course, we had -- we provided a lot of information about the project as well but it was really about supporting the process. The CABs were a -- again, driven by members of the CAB, not driven by Enbridge, and it was to respond to the issues that CAB members wanted to listen to or wanted information on.
30057. So the agenda was driven by CAB members which was not Enbridge, we were a member but we were not driving the agenda in the CABs and the Alliance was really driven around the support for the process.
30058. **MS. MICHELE PERRET:** And I would say that both merge lines are available for anyone to participate in and receive information.
30059. **MS. BROWN:** So in understanding this then, the Northern Alliance is for the supporting of the regulatory process and ensuring that they -- and they have that mandate and I understand what the CAB is about in responding to the issues.
30060. Has the Northern Alliance -- because of the -- the regulatory process is in progress now, has the intent or the direction of the Alliance changed as a result of that?
30061. **MS. MICHELE PERRET:** I actually have to say that the -- we've seen the Alliance membership increase through the regulatory process and there's been an increased request for information about the project from Alliance members.
30062. **MS. BROWN:** But as you said, the initial intent of the Alliance was to support and ensure that the regulatory process took place. That is happening now. So has the intent and the direction of the Alliance changed since then?
30063. **MS. JANET HOLDER:** Sorry I wanted to make sure -- maybe you misunderstood what I was talking about, supporting the regulatory process. It wasn't so much ensuring the process took place, as much as they were supporting the process and the outcome of this process. So in that we are still in the process, there hasn't been a need at this point in time to change the Alliance. We still have a ways to go in this process.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

30064. We're not at the end and we will continue with our consultation efforts throughout this process to the end. And so at this point in time I don't think the Alliance has seen the need to change their mandate.

30065. **MS. BROWN:** Thank you. Okay.

30066. Just on to the CABs now, in one of your documents -- I don't have the Adobe or the reference piece, sorry. I was limited in my searching ability in this -
- at this end due to my placement of where I am.

30067. But anyways, in the CABs you state that only members or representatives of specific interests can participate in the discussion and decision making. Can you clarify how the decision making is done within the CAB?

30068. **MS. MICHELE PERRET:** So you might be referring to the operation -- operating guidelines that were ---

30069. **MS. BROWN:** Right.

30070. **MS. MICHELE PERRET:** --- that were put out by the CAB members and they -- those operating guidelines do determine the -- how a decision is made by the CAB members.

30071. And I'm not sure if you were at this meeting but I can just give an example. There are -- in those operating guidelines, one of the issues is media attendance and there was a decision that media would not attend CAB meetings because people were -- those attending or those members attending were concerned that it might restrict the conversation or the discussion.

30072. So in Terrace, in October of 2012, Captain Jerry Aspland and Michael Cowdell came in to give a presentation about the marine aspect of the project and to answer questions. And one CAB member asked whether or not it would be possible to have the media attend and so a discussion took place before the start of the lunch and it was decided -- there was a decision made that the media could attend as long as no pictures were taken and people asking questions, their names were not in the newspaper, were not published in the newspaper.

30073. So that's just an example of one decision that was made based on those operating guidelines, terms of references by the CABs.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

30074. **MS. BROWN:** So is the process done by vote taking or is it done by consensus?

30075. **MS. MICHELE PERRET:** I would say that it -- I wouldn't say -- there's not ballots or I didn't see ballots at that. There was a discussion amongst the CAB members as to whether or not they would allow the media to attend that luncheon and it was decided on all of those participating in that discussion that media would be allowed as long as names were withheld from the CAB participants.

30076. **MS. BROWN:** So in the terms of reference, the decision making is determined as by consensus?

30077. **MS. MICHELE PERRET:** We're just going to try to find the reference for you, Ms. Brown.

30078. **MS. BROWN:** Okay, thanks.

30079. **MS. MICHELE PERRET:** I think if you go to Exhibit B22-10 you'll find both the Terms of Reference on Adobe page 3 to 16. And pages 18 to 28 have the Operational Guidelines and we can go further to find the word consensus if you want us to find that.

30080. **MS. BROWN:** Yes. So what was it -- what was it again, B?

30081. **MS. MICHELE PERRET:** B22-10.

30082. **MS. BROWN:** Okay, all right. I'll look it up. Thanks.

--- (A short pause/Courte pause)

30083. **MS. MICHELE PERRET:** So Ms. Brown, consensus is used -- or the decision making processes identified in the operational guidelines -- that same exhibit I mentioned B22-10, and the discussion starts at the bottom of page 25.

30084. **MS. BROWN:** Yes I'm having trouble opening it here. It doesn't want to do that so I'll have to -- I agree with you.

30085. **MS. MICHELE PERRET:** I completely understand.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

30086. **MS. BROWN:** So the -- so it is within the terms of reference that the decision making is done by consensus?
30087. **MS. MICHELE PERRET:** The operating guidelines to be specific.
30088. **MS. BROWN:** And it says that, okay.
30089. In the CABs only one representative from each interest group is allowed, that's -- and with an alternative.
30090. What specific interests are represented now? I know you have a list. Do you feel that there's a balanced table at the moment?
30091. **MS. MICHELE PERRET:** And I know that you've been part of these discussions and the balance changes from each individual meeting. I would say overall we have a good balance. I would definitely encourage more balance.
30092. I just want to correct one thing though. Is -- you said there's only one member allowed per organization and I just want to make sure that it's clear that it's only one member allowed for decision making, one member allowed for reimbursement.
30093. But other people can attend, and as you know we've had the "bring a friend" meetings to encourage more participation as well.
30094. But we always have that offer on the table. I know in the Community Advisory Board group that you often attend we had -- that letter went out to many of the participants who attended the first CAB back in 2009, and we invited them to come back and participate again in the meetings.
30095. So we leave the door open but it really is up to those people to decide whether or not they want to attend.
30096. **MS. BROWN:** And then they can apply or ask for membership on the table?
30097. **MS. MICHELE PERRET:** They absolutely can apply for membership. What we do encourage is for people to, as they come to a CAB meeting as an observer, see what it's like and then we often have people at the

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

end of those meetings sign up to be members.

30098. **MS. BROWN:** How can individuals that are separate from organizations be represented?
30099. **MS. MICHELE PERRET:** As you are aware we do have members of the general public who are members.
30100. **MS. BROWN:** Is the “public” limited to one representative?
30101. **MS. MICHELE PERRET:** As you are aware we have several members of the public who are members.
30102. **MS. BROWN:** So there would be no limit to that? If -- how would you manage that piece if say 10 public people came and wanted to be represented?
30103. **MS. MICHELE PERRET:** Well again we’d have to go back to the operating guidelines and the terms of reference. We definitely would encourage people to come and participate. We’d have to see how -- we’d have to see the situation, what is being described.
30104. We haven’t had that situation. We do have in the operating guidelines or the terms of reference -- there is a discussion about how many members say, would be considered for each meeting. But as you know we’ve had some pretty healthy discussions in those groups that are greater.
30105. And I just want to emphasize as well that a lot of -- the majority of the issue about membership goes to this reimbursement for the cost of travel.
30106. **MS. BROWN:** So if the reimbursement wasn’t an issue then the member -- the person is there at the table, of course then they wouldn’t get reimbursed but they can still be part of that -- the membership of that table?
30107. **MS. MICHELE PERRET:** I may be confusing it. So if you are a member you will be reimbursed and if -- and we do have more than one member of the public who is a member.
30108. And if there are 10 members of the public who want to become a member we can have that discussion. We welcome people to attend the

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

Community Advisory Board meetings.

30109. **MS. BROWN:** Is -- what is the budget of the CAB?
30110. **MS. MICHELE PERRET:** I don't have the number in my head and I'm just -- I'm looking to see if we have answered it in an information request.
30111. **MS. BROWN:** M'hm.
30112. **MS. MICHELE PERRET:** It's not a number that's in my head because I don't -- I don't have the costs associated with all of the factors that go into ensuring that the Community Advisory Boards are effective.
30113. **MS. BROWN:** Right, okay.
30114. If there is approval, I guess it was in regard to my question of budget, will those moneys continue to support the CABs in the same -- at the same level or higher?
30115. **MS. JANET HOLDER:** For budget -- it's Janet Holder speaking.
30116. For budgeting purposes we will do whatever we feel is necessary. We'll spend the necessary resources to continue on with our consultation program. And I think what's fair is it's really more our broader consultation program that we are sure we are funding and we don't really look at individual components to the degree you may think we do.
30117. It is -- we -- but whatever we feel is necessary going forward to fund consultation we as Northern Gateway will fund those -- will fund the consultation and that in part will be to CABs, however they evolve through time.
30118. **MS. BROWN:** Okay. Going to 83-26 on Adobe 27.
30119. **THE CHAIRPERSON:** That page is on the screen now, Ms. Brown.
30120. **MS. BROWN:** Okay.
30121. I'm trying to determine on a spectrum of what, for lack of a better word arm's length, where Enbridge or Northern Gateway is in relation to the CABs?

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

30122. **MS. MICHELE PERRET:** So we've talked about this a lot over the last few days. The CAB members have developed the operating guidelines, they've developed the terms of reference. They determine the subjects for agenda and for discussion at the next meeting.

30123. They have also, in some cases, decided who they want to present at those meetings which can sometimes be very challenging to get those people and we try very hard.

30124. As you know from the terms of reference there is an opportunity for Northern Gateway to have two representatives at those meetings and usually that's Mr. Doering and myself but that does change from time to time.

30125. **MS. BROWN:** In the future of CABs, if you get approval, what would be the position of the CAB on the spectrum of the arm's length?

30126. **MS. MICHELE PERRET:** I'm not sure that the CABs would change. The terms of reference and the operating guidelines talk about the CABs moving forward -- or being in place going forward.

30127. **MR. JOHN CARRUTHERS:** We have looked at the CABs as well from other initiatives that Northern Gateway was anticipating, such as the Fishing Liaison Committee, and again looking at what the CABs themselves have developed it seemed to be very powerful in terms of their -- what they would see as their norms and that.

30128. That seems -- to really to promote collaboration, be solution oriented, listen generously. So a lot of things in there I think that most people would find fundamentally sound, very effective.

30129. In terms of -- it's always Northern Gateway's expectation that we would have to continue to fund the CAB. So there's always that dependence upon Northern Gateway in terms of funding.

30130. **MS. BROWN:** M'hm. Okay.

30131. **MS. JANET HOLDER:** Sorry, it's Janet Holder again.

30132. The one other point I think we need to make here is, once we get past

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

- the stage of approval -- assuming we get approval -- and we move into construction, I think the members of the CABs will decide how they want those CABs to progress because the issues become different, the interests become different when you're in a construction.
30133. And then once we're in operation, it's a different, different environment again and so I think the role may change again.
30134. But that really is driven by the CAB members more so than ourselves.
30135. **MS. MICHELE PERRET:** And -- and I just want to add -- sorry, Ms. Brown -- we as an organization have never used a community advisory board model before and this is -- this is the first time that we've ever done that.
30136. So we -- we look forward to working together with the CAB members as -- as this Project proceeds if -- if we do get approval.
30137. **MS. BROWN:** Okay.
30138. Just in -- and you've probably already answered this to some degree because the word "meaningful consultation" is there.
30139. And I'm wondering how it is that you define "meaningful"?
30140. **MS. JANET HOLDER:** Sorry, can we clarify? We're using the word "meaningful" in the actual sentence in a paragraph of our evidence or generally?
30141. **MS. BROWN:** Well it's on -- on Adobe 27, you say:

*"...the CAB process demonstrates Northern Gateway's
commitment to meaningful consultation."*
30142. **MS. MICHELE PERRET:** Just give me a moment. I think -- I think we've answered that in an IR.
30143. I'm just going to double-check.
30144. **MS. BROWN:** Okay.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

--- (A short pause/Courte pause)

30145. **MS. MICHELE PERRET:** I would take you to Exhibit B37-7,
Adobe page 44.

30146. **MS. BROWN:** Okay.

30147. **MS. MICHELE PERRET:** And there was a -- a question and
response around meaningful consultation.

30148. **MS. BROWN:** What does it say? Sorry. I'm limited by my ---

30149. **MS. MICHELE PERRET:** Sorry, you don't have the screen in front
of you.

30150. **MS. BROWN:** Yes.

30151. **MS. MICHELE PERRET:** So it says -- and my reference I just have
to move --

30152. So it's -- it says:

*“Northern Gateway’s Aboriginal engagement [...] is designed
to build...”*

30153. This is first talking about Aboriginal engagement:

*“Through implementation [...] Northern Gateway is
committed to working with Aboriginal groups to provide them
with information about the Project, answer Project-related
questions, identify and address issues and concerns, and obtain
community input for incorporation into Project planning
activities. Information gathered through the Aboriginal
engagement program will enable Northern Gateway to
improve the Project by avoiding, reducing or mitigating,
wherever reasonable and feasible, potential adverse effects of
the Project and enhancing positive effects of the Project on
Aboriginal interests.”*

30154. And that was the response that -- sorry, that was the response to the

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

question around:

“How will the proponent ensure that consultation will be meaningful for Aboriginal groups and other public stakeholders?”

30155. **MS. BROWN:** Good. Thank you for that. Okay.
30156. **MS. MICHELE PERRET:** There's another reference too but if you go to that reference, it -- you can -- you'll find the answers.
30157. **MS. BROWN:** Right.
30158. Now, there was criticism at the start of the CABs that it was felt by groups invited to attend that they were not -- the CABs were not at sufficient arms-length, i.e. there weren't as you -- in your words you said independent -- and as a result they did not gage -- engage.
30159. What is your response to that at this time with the passage of time?
30160. How do you feel about -- about this lack of engagement now?
30161. **MS. MICHELE PERRET:** I would think that if we go back to the -- what I said earlier the terms of reference and guidelines were not completed until Round 4 or Round 5.
30162. I did not attend Round 1 so -- but I heard that there were people that attended Round 1 -- well, actually, I know that people attended Round 1 and then didn't come back to the CABs. And -- and they did -- and we did try to re-engage them after the terms of reference and the operating guidelines were put in place.
30163. Having said that, I would really encourage participation because that -- that respectful conversation that takes place in each of those meetings is helpful in -- to Northern Gateway as well as we hope there is information that is useful to -- to the general public through -- through those discussions. And that I think it is that the people that really want to have a meaningful and -- and collaborative type of conversation about the Project would be interested in the community advisory boards.
30164. It's not a -- it -- it's probably not the place for people who strictly want

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

- to, say, protest the Project but, as I believe Ms. Holder said earlier this morning, peoples' positions on the Project are not disclosed at that community advisory boards. We don't know whether they oppose, support or are indifferent.
30165. **MS. JANET HOLDER:** Sorry, Ms. Brown, I -- it's Janet Holder here again.
30166. I think you also made a statement in your question that there is lack of engagement. I don't our evidence would ever say that there's lack of engagement.
30167. Especially today we do not believe that. We see lots of engagement. We see lots of engagement by many different organizations as well as many different individuals as Ms. Perret has mentioned throughout the last few days and even here this morning that other members have been joining in that -- or that people have been joining in that aren't members. As well as we've been expanding this to bring a friend or opening it up to more people at large.
30168. So we're finding actually there is a high level of engagement.
30169. **MR. JOHN CARRUTHERS:** John Carruthers.
30170. As well, I was at the first CAB meeting. And, certainly, our goal was as we've talked about is to bring a number of diverse interests together to have a -- a forum for discussion, solutions, address issues.
30171. And at that meeting, our thought was that we might develop the principals, objectives first -- the CAB's would. So that would be what the CAB's should first go to.
30172. There was a group that represented Living Oceans, Westcoast Environmental Law, et cetera, that came in and -- and wanted to make a presentation.
30173. So in that first CAB, we actually facilitated that presentation by some of those groups and they made their presentation and then didn't come back to the CAB.
30174. But, again, it's certainly very open for their participation. We desired it and, as Ms. Perret mentioned, we again solicited their participation.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

30175. **MS. BROWN:** There's a number -- there's a large number of groups that were at those initial meetings and that were invited that aren't engaged and that have -- differing perspectives.
30176. Do you fee that the CAB effectiveness is limited by their lack of engagement?
30177. **MS. JANET HOLDER:** I think we need to take this back to a higher level around consultation.
30178. No question CABs are a very, very important part of consultation, our consultation program. We take great pride as we think it's a first attempt at this -- at least that we're aware of -- and we believe it's working very effectively.
30179. But consultation's much broader and -- and part of our consultation is our Aboriginal Engagement Program. It is our process around advertising. We've had speaking engagements outside of CABs. We have our very active and enhanced web where there -- you have the ability to join in a conversation, ask questions, we provide replies. We reply to thousands of emails and letters that come in individually, phone calls with messages.
30180. And also this process. This process is also a big part of our consultation. This process provided people to either intervene if they wish, such as yourself. If you didn't want to intervene, you could write a letter of comments. If that wasn't what your choice was, you definitely could provide also an oral statement.
30181. On top of that, if you didn't want to sort of stand up and be present as you are today or in an oral statement, you have the ability to listen in online. You can be in the room to listen to this. You can read transcripts. The National Energy Board has made it very easy for people to access the necessary information.
30182. So consultation -- CABs are a part of our consultation but they're only one part and I don't want to leave the impression that this is the most significant part of our consultation because that would not be true.
30183. It's one part that we take great pride in but it's not all that consultation is about. So people didn't want to participate in the CABs. There were lots of

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

other ways that they could engage in this project.

30184. **MS. BROWN:** But you would agree that -- sorry -- that the CAB certainly has a different process involved in itself is that it enables dialogue of differing perspectives and, as you say within your own meaningful piece, that it -- the community -- it enables people to put input into improvements in mitigation, et cetera.

30185. So would you -- would you agree that the CAB has a different feature than just -- it has a unique feature that is quite beyond other consultation processes of just -- of informing and giving information, et cetera?

30186. **MS. JANET HOLDER:** It is a unique process, and one, like I say, I think we're quite pleased with and proud of. But there are other ways that people can engage with and get dialogue going and information, and that is what the web and the hundreds of thousands of hits we've had on our web because that's also a two-way dialogue where people can ask their questions and get their answers.

30187. So it is unique and I would -- I agree with that, but there are other ways we create a two-way dialogue as well.

30188. **MS. BROWN:** So you don't feel that the CAB effectiveness has been limited by these groups not being involved.

30189. **MS. MICHELE PERRET:** I -- could you repeat your question, Ms. Brown?

30190. **MS. BROWN:** You don't feel, then, that the CAB effectiveness has been limited by the lack of engagement of the -- these numbers of groups that left earlier on?

30191. **MS. MICHELE PERRET:** No. I would -- we don't feel that way. And we do know that as we've talked about the over 300,000 unique hits to the website when it was redesigned in late 2011, we've -- have been answering emails at a rate of about 100 emails a month. We've had over 1,000 toll-free calls.

30192. We endeavour to answer each of those questions, each that are posed either via email or via the telephone.

30193. We've had about 100 presentations in the Community Advisory

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

- Boards, but we've had about 500 presentations through the technical meetings, through the open houses, through just the ongoing presentations, and that doesn't include the meetings that have also occurred as well.
30194. So I think that the public consultation has been broad and...
30195. **MR. JOHN CARRUTHERS:** I think the effectiveness of the CABs is also demonstrated by the fact that people are still strongly participating. It takes effort to go to those, I mean, to -- it's not just a -- people who are involved in the CABs have to dedicate quite a bit of time.
30196. So I think the fact that they're ongoing today and people have dedicated that time would very much demonstrate that they've been successful in their eyes. And certainly the ones I've gone to, that's very evident when you see people and their participation. It's genuine, genuine and generous in terms of their ongoing participation.
30197. **MS. BROWN:** Thank you.
30198. I'm just going to go on to something else right now. And I'm going to talk about the quantitative risk analysis working group that you refer to.
30199. You indicate that the QRA working group would be either reconvening or incorporating into the existing marine cap and it was under review by Northern Gateway. And you referred to this in your -- I think in B22-2 on Adobe 23.
30200. But what is currently happening to the QRA working group now?
30201. **MS. MICHELE PERRET:** So the QRA grew out of -- the quantitative risk analysis group, it grew out of -- well, actually, it goes back even further than what I was originally going to say.
30202. So we started off with these ESA workshops that Mr. Green can talk about back in 2005-2006, which had a broad discussion of issues about the project and led to -- was kind of the start of some of these various avenues of conversation, one of them being the QRAs.
30203. And back in 2008 -- around 2008, it's identified in Exhibit 2-1, around page 37. There were surveys provided to -- there were about 19 environmental

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

- non-government organizations that were contacted, and around 800 stakeholders were contacted by telephone survey and mail survey to discuss about how -- what would be an appropriate way of communication and consultation and engagement going forward and from the -- this information, the QRAs were established to talk about the -- some of the marine aspects.
30204. The QRA was established to identify the -- the quantitative analysis of the probability of a spill. And the QRA group was established also to select the consultation team that would do that -- would do that analysis.
30205. And on Exhibit B2-1, page 44, is the original QRA group that was identified. And the first meeting talked about having -- talked about the -- they called it the CAB marine group. As you know, that is now called the B.C. Coastal CAB.
30206. **MS. BROWN:** Say that last part again. I'm sorry.
30207. **MS. MICHELE PERRET:** Well, the -- the CAB marine group evolved into the B.C. North Coastal CAB, the one that occurs in Kitimat.
30208. **MS. BROWN:** So you're saying the QRA now is part of the marine

30209. **MS. MICHELE PERRET:** No, I'm sorry.
30210. **MS. BROWN:** --- the Coastal CAB? Like that was my ---
30211. **MS. MICHELE PERRET:** No, I ---
30212. **MS. BROWN:** --- original question. Like where did the QRA working group go to or where is it right now?
30213. **MS. MICHELE PERRET:** So the QRA, there were several meetings and they worked towards developing this QRA study that became part of the TERMPOL ---
30214. **MS. BROWN:** Right.
30215. **MS. MICHELE PERRET:** --- study that was filed.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

30216. **MS. BROWN:** But there was indication that where it would be -- where it would -- sorry. You indicated that it would be incorporating into the existing marine CAB or reconvening, and it was being -- reviewed by Northern Gateway as to where that would -- where it would go. So where did it go?
30217. Did it -- does it still exist, or...
30218. **MS. MICHELE PERRET:** So the QRA had -- they were -- they were given the scope to help identify the consultation group that would perform the numerical analysis of the probability of a spill. That study was part of the TERMPOL study.
30219. **MS. BROWN:** Right.
30220. **MS. MICHELE PERRET:** The TERMPOL study was filed, so the QRA was done.
30221. The next panel can talk probably more about the QRA, but that was -- so that was completed and the TERMPOL study has been reviewed by Transport Canada. But there still is a Coastal CAB, the Kitimat CAB, the one that you attend in Kitimat.
30222. **MS. BROWN:** So that is where the QRA working group is now?
30223. **MR. JOHN CARRUTHERS:** It's John Carruthers.
30224. **MS. BROWN:** Like I'm trying to determine ---
30225. **MR. JOHN CARRUTHERS:** Maybe I can help here because the intent of the QRA group was to -- again, we recognized from day one that this would be a very important question for all of us to answer, is what is the probability of a marine spill incident. And to avoid -- in trying to avoid experts versus experts, we thought the best way -- because we all are seeking that same information and we want it to be quality information.
30226. So we sought to take everyone who might have an interest, and that went back to that original group who was very extensive in terms of people who might have a potential interest in the quantitative risk assessment to select -- to jointly select the expertise to have that report on record. And that's what the intention was.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

30227. So we established a group. Originally there was 10 Aboriginal groups, 11 environmental organizations, two municipal groups, two federal departments, and they were all contacted to understand their interest in terms of moving ahead with the quantitative risk assessment to select the expert to do the work.

30228. So that group did that, the ones who participated did that. They selected DNV. That work was completed and it was submitted both in TERMPOL and through this process. So that work is done now, and we're going to speak to it, actually, at the next panel, the shipping -- Marine and Shipping Panel in terms of the conclusions they reach.

30229. Going forward, the coastal marine -- Coastal CAB, again, could be a forum for issues that might come up to be addressed on a coastal perspective. So I think that is where it's going and we'll just have to see where that CAB wants to take it, but part of it may be informed by this next panel.

30230. **MS. BROWN:** So are you looking at B22-02, Adobe 23, the last paragraph there?

30231. So in the very last statement there, it says:

“Reconvening the group or incorporating the group into the existing Marine Community Advisory Board is underway [by Northern --] is being reviewed by Northern Gateway.”

30232. So what you're saying, it's still in a -- it's still in limbo, that no decision is being made as to where that QR or that working for the marine component is going to be.

30233. Is that correct?

30234. **MR. JOHN CARRUTHERS:** No, I am saying that the quantitative risk assessment has been completed and has been submitted to TERMPOL and the Joint Review Panel and that we see, going forward, that questions from a coastal perspective would come up through the -- on the Marine Community Advisory Board.

30235. **MS. BROWN:** So that this group has actually ended and that marine piece is now going to the Coastal CABs?

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

30236. **MR. JOHN CARRUTHERS:** The quantitative risk assessment is complete, yes.
30237. **MS. BROWN:** Right.
30238. Because there was some -- there's some suggestion here within this paragraph that this group was still out there and that they were looking at being incorporated into the existing marine CAB but you're saying that's not what's happening.
30239. **MR. JOHN CARRUTHERS:** Yes, I'm saying that the QRA were CABs -- we have selected -- we did select the expert and they did complete the report.
30240. So that is complete.
30241. **MS. BROWN:** Okay.
30242. So that group is finished and is not part of the Marine Community Advisory Board.
30243. **MR. JOHN CARRUTHERS:** I'm trying to say that if there are any issues from a marine aspect, from the community, it can be raised through the Community Advisory Board that's in place today.
30244. So that is ongoing and there is a forum for that.
30245. **MS. MICHELE PERRET:** And I would just add that there is a member of the QRA that is a member of the North Coastal CAB.
30246. **MS. BROWN:** Okay, because that's not clear within this statement. Okay.
30247. So just a question here regarding the -- how do you envision -- okay, just a minute. There's many levels of the government involved in the marine component. There's many groups involved in the marine component outside of the CAB or in, I guess -- sorry. Yeah, there's many levels that were involved in the QRA working group. There were many different groups.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

30248. How would the CAB process ensure that those -- that level of working would be continued within the marine CAB?
30249. **MS. MICHELE PERRET:** Okay, sorry, do you want to just -- would you mind repeating that question, please?
30250. **MS. BROWN:** I don't know if I can.
30251. **THE CHAIRPERSON:** Ms. Brown, I know in the past -- it's Sheila Leggett -- you've been very well prepared and I'm assuming you have some notes in front of you ---
30252. **MS. BROWN:** Yes.
30253. **THE CHAIRPERSON:** --- and in there is your question.
30254. I would suggest that you just go straight to the question that you wanted to ask and ask that one.
30255. **MS. BROWN:** Right, right.
30256. So I guess -- I got -- the QRA is no longer existing so the marine CAB is going to -- I understand from what you're saying -- is going to take up the -- not the issues but the -- not even the mandate but the scope of what -- or not even the scope. I'm not even sure what word to use -- but are going to take up what's happened in the QRA ---
30257. **THE CHAIRPERSON:** Ms. Brown.
30258. **MS. BROWN:** --- in terms of determining ---
30259. **THE CHAIRPERSON:** Ms. Brown, it's Sheila Leggett again.
30260. **MS. BROWN:** Yes.
30261. **THE CHAIRPERSON:** So, again, I would encourage you just to go straight to your question.
30262. **MS. BROWN:** Yeah, and I'm trying to formulate the question.
Sorry.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

30263. I'm trying to understand how the CAB is going to take on the roles of -
- not even the role but the issues that the QRA working group addressed.
30264. How do you envision that? There seems to be a disconnect here.
30265. **THE CHAIRPERSON:** So, Ms. Brown, let's ask the questions one
at a time so that witnesses ---
30266. **MS. BROWN:** Okay, sorry.
30267. **THE CHAIRPERSON:** --- but I don't believe that there's a need to
repeat it. I think Mr. Carruthers is ready to answer your questions.
30268. **MS. BROWN:** Good.
30269. **MR. JOHN CARRUTHERS:** So I just want to reconfirm, yes, the
quantity of risk assessment has been completed. That information has been filed
and we're going to speak to that assessment on the next panel.
30270. And then, we're going to speak to a lot of things from shipping and
navigation in terms of the -- you know, the regulations.
30271. It typically comes under Transport Canada but there's a number of
them and we've talked to a number of them that would have gone to emergency
response in the previous panel.
30272. But in terms of engagement, the forum for continued engagement
could be through the marine CAB. So in terms of issues from a marine
perspective, that could be raised to the marine CAB. That is one potential and it
seems a fairly logical one but that's one forum.
30273. So again, we can be accessed in many, many different ways but,
certainly, the marine cab is a forum, as we have set out in our objectives, for
continued dialogue and a place where people can raise issues. It's not the only
one.
30274. **MS. BROWN:** From my understanding of the CAB, there is ability to
do -- you know, to make improvements to the Project, to mitigate, as you indicate,
to look at issues.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

30275. The marine CAB, I would presume, would also have that ability; is that correct?
30276. **MS. MICHELE PERRET:** So I just want to go back to the fact that Northern Gateway doesn't set the agenda for these CABs.
30277. So if the people attending, whichever CAB, want to raise these issues and if through those issues there are -- there is information that wants to be sent back to Northern Gateway, that group would have that ability. And if that's the North Coast CAB, then that can happen through that.
30278. But I also want to go back to what we talked about earlier, that there are lots of ways of posing questions or providing comments to Northern Gateway through the various avenues that we have. And if there is an interest in your community for, say, a presentation about marine issues, we would and we have in the past, done that in various forums.
30279. **MR. JOHN CARRUTHERS:** And just as an example, the Fishing Liaison Committee is another forum where we saw we could address marine-related issues but that's, again, just one more and as Michele said -- Ms. Perret said, we're very open.
30280. **MS. BROWN:** So -- but the CAB is more of an active process rather than more of an information process.
30281. Is that correct?
30282. **MS. MICHELE PERRET:** I would say that all -- we work very hard to make the public consultation relevant. We're not interested in just, say, going into a community and talking. It's -- we want to have an exchange of information so it's -- I think that -- I think all of our efforts in the public consultation activities are active two-way conversations.
30283. And I -- that even goes towards the website where you would think that it would just be one-way but we do have the interactive ability on the website as well since we revamped it in 2011.
30284. **MS. BROWN:** Okay.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

30285. Okay, sorry, I'm just thinking here. There's a number -- I know with the CAB and the marine CAB, a number of groups and agencies such -- and government agencies have come to the marine CAB, such as Transport Canada. They come as advisors or they come to provide information.
30286. Just wondering how the CABs -- those CAB processes would -- can interrelate with the government, in terms of providing information and having conversation with them?
30287. **MS. MICHELE PERRET:** I'm not sure I understand your question based on the premise that you made.
30288. Do you mind repeating, please?
30289. **MS. BROWN:** These agencies such as Transport Canada is often at that -- at the table. They are there just for information purposes; are they not?
30290. **MS. MICHELE PERRET:** Are you asking if Transport Canada is a member of the CAB?
30291. **MS. BROWN:** And are they a member of the CAB?
30292. I don't think they are; eh?
30293. **MS. MICHELE PERRET:** No. There have been members of the government that have attended various CABs as observers.
30294. **MS. BROWN:** Right. And in terms of how they interact with the CAB, they're there as observers and they're there to answer questions; is that correct?
30295. **MS. MICHELE PERRET:** There is an exchange of information, so I would say as an observer, they -- they will answer questions as appropriate.
30296. **MS. BROWN:** Okay.
30297. **MS. MICHELE PERRET:** And especially, I guess, on the coffee breaks and the lunch hours there's conversations that take place.
30298. **MS. BROWN:** Right. So that's the level of interaction though, that

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

occurs between the members of the CAB and the agencies that are there for observation and for information purposes. Like there's no ---

30299. **MS. JANET HOLDER:** So it's Janet Holder.
30300. We have a lot of different ways that we correspond and exchange information with government agencies. We do not rely on the CABs as our means of providing the appropriate information to the various government agencies that we need to work with.
30301. **MR. JOHN CARRUTHERS:** And again, what we've set up for the CABs is a forum for dialogue between Northern Gateway and interested persons. There's obviously lots of dialogue between the public and industry with the government on many, many issues. And we've seen that both in -- with the Province of B.C., some of the initiatives they've undertaken, and some of the announcements we're seeing from the federal government.
30302. But we're facilitating relevant topics within Northern Gateway and, of course, industry has a lot more interaction with government and through various programs and procedures and regulations.
30303. **MS. MICHELE PERRET:** I just want to be clear that there's not -- there's not a role for the government in the CABs unless the government chooses to play a role in the CAB. They are -- just like any other stakeholder, they are invited to the meetings, but they don't have to attend if they don't want to.
30304. **MS. BROWN:** So I guess my question is around the effectiveness of the marine CAB.
30305. Enbridge has no legal marine responsibility within this project, so I'm just trying to figure out how the CAB process will be effective within the marine component of the project.
30306. **MS. ESTEP:** Madam Chair, I'm struggling with how these questions relate to the issues that have been assigned to this particular panel.
30307. **THE CHAIRPERSON:** Ms. Brown, this panel is here to speak to the public consultation and Aboriginal engagement aspects of this proposed project. Do you have further questions that are directly relevant to this area or can you explain to us how your -- the question you just posed is relevant to this area?

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

30308. **MS. BROWN:** Yes. The CAB is -- does have ability to have dialogue and to make suggestions and -- to Enbridge on processes within the project to be considered. And my question is, I'm trying -- I'm struggling to understand how effective the marine CAB will be within this project being that there is just -- there is no legal marine responsibility of Enbridge, so how effective is this marine CAB.

30309. **MS. ESTEP:** Madam Chair, I think the witnesses have addressed the effectiveness of the CABs, and the marine CABs and answered a number of questions on that particular topic. And marine liability is -- although that wasn't directly posed to the witnesses, it was part of the premise of the question and that is not an issue that this panel is here to speak to.

30310. **THE CHAIRPERSON:** Do the witnesses have anything further to add to the answers that they've already provided to Ms. Brown's line of questioning in this area?

30311. **MR. JOHN CARRUTHERS:** I don't believe so.

30312. **MS. BROWN:** And just to clarify for my end, I had no thought of liability. My concern is the ability of public to have some meaningful input in the CAB in terms of mitigating and enhancing, et cetera, and wondering where this CAB can be in relation to the marine as Enbridge's level of responsibility is quite different than it is, say, within the pipeline.

30313. So I'm trying -- I'm struggling with, as a public, how my level of voice is within the marine component as opposed to the pipeline component.

30314. **MR. JOHN CARRUTHERS:** Northern Gateway will be a participant in the CABs and will understand the recommendations being put forward. There is, as we'll talk about on the next panel, a port information book that we would have the capacity to evolve as the project evolves, as interests -- as things are raised and issues we need to address.

30315. Again, I think it's very similar to what we've described in the Fishing Liaison Committee where there's a forum for issues to be raised and addressed, and it would be very much like that process.

30316. **MS. BROWN:** Okay, thank you.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

30317. **MR. JEFFREY GREEN:** Ms. Brown, it's Jeff Green here.
30318. I'd just like to add that the marine CAB also will be a useful initiative for providing information and getting input on some of the future environmental initiatives for the marine environment. So for example, the design of the pipeline and environmental effects monitoring program, well, that will be done in close consultation with government agencies and Aboriginal groups and directly affected stakeholders.
30319. Testing that plan with the CAB members would be a useful undertaking. I think we could say the same thing providing information on the marine oil spill response plans. There's a number of marine surveys that are going to be conducted and it would be, I think, useful to provide updates to the marine CAB on those environmental programs, as an example, the marine mammal surveys, the marine bird surveys.
30320. So there's many ways that the CAB can be an effective way of providing output from the study and then receiving input from the public into how we're proceeding.
30321. **MS. BROWN:** Okay. Thank you.
30322. Just a couple of questions here on -- sorry. There's -- in public consultation; in one of the commitment lists, I don't -- I haven't looked at the most current one, but I'm looking at an old one. But the theme of it was there was a lot of consultation, public consultation and monitoring and engagement listed in the commitment lists, something around the marine terminal, environmental effects monitoring, access management. You know, it's listed quite often as consultation.
30323. I'm wondering if -- I had trouble following the threads within all the documentation of what was out there for public engagement within all these areas, and I'm wondering if an undertaking can be done to pull all those threads together to get a full picture of it. It's difficult to follow.
30324. **MS. ESTEP:** Okay. First of all, we should be working off the current version of the commitment table, so that was filed in JRP 15.
30325. **MS. BROWN:** Right.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

30326. **MS. ESTEP:** And then I'm not understanding what the request is after that.
30327. **MS. BROWN:** The request is that it's difficult -- like throughout a lot of your documentation or your proposal, there's a lot of reference to public engagement or stakeholder engagement. And it's threaded throughout, and I acknowledge that.
30328. But there's no -- there's no compiled piece where public engagement is actually -- where one can actually look at it and say, oh, yes, here it is in the various areas.
30329. I found it difficult to -- to determine exactly where it all was and where it stood and who would be involved. I know in some commitment table -- in some commitment tables you would have -- only certain groups would be involved, and others wouldn't, or this type of thing. So I'm wondering if a complete list so that it could be all viewed in one document would be helpful.
30330. **MS. ESTEP:** So I'm still not clear on what we're looking for. But I think if we bring up Exhibit B165-3, that's the updated commitment table.
30331. And just, Ms. Brown, so that you're clear, like the original commitment table that was provided was filed as JRP IR 1, if I recall correctly. So there was a significant volume of material that was added and updated into this version of the commitment table that's on the screen now.
30332. And within that commitment table there is a summary of the topic. So that includes Aboriginal engagement or public engagement. So I think if you have a look at that table the information is there.
30333. **MS. BROWN:** Okay, I'll have to take your word for it. I don't think I have it here. Let's see. Okay.
30334. All right I think those are the end of my questions and thank you.
30335. **THE CHAIRPERSON:** Thank you very much, Ms. Brown, for your questions and for participating. So we'll say goodbye to you.
30336. **MS. BROWN:** Okay, goodbye.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Ms. Brown**

30337. **THE CHAIRPERSON:** Bye-bye. That brings us to the end of the parties who had identified that they wished to ask questions of this panel.

30338. We're going to have the questions from the Panel, from the JRP Panel first and then we'll go to legal counsel after that if there's any further questions that need to be asked.

30339. So I'm going to suggest that we take an early morning coffee break and so would everybody please be back by 5 after 10, and we'll start with the questions from the JRP Panel.

30340. Thank you.

--- Upon recessing at 9:46 a.m./L'audience est suspendue à 9h46

--- Upon resuming at 10:07 a.m./L'audience est reprise à 10h07

30341. **THE CHAIRPERSON:** We're ready to get underway again.

30342. Ms. Estep?

30343. **MS. ESTEP:** Thank you, Madam Chair.

30344. I just wanted to put on the record, in light of the corrections this morning and given the fact that the Michel First Nation are unrepresented, I did send an email to Ms. Campbell at the break just to advise her that the corrections had been made.

30345. And I will undertake, on behalf of Northern Gateway, to provide the transcript to her as soon as it's issued today.

30346. And I offered to her that if she has any follow-up in respect of those corrections, that she could contact the Process Advisor and just let her know that Mr. Carruthers will be seated on the next panel and would be available to respond to follow-up on the corrections if that -- if she feels that's necessary.

30347. **THE CHAIRPERSON:** Thank you very much for providing the information, Ms. Estep.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Matthews**

JANET HOLDER: Resumed
PAUL ANDERSON: Resumed
JOHN CARRUTHERS: Resumed
RAY DOERING: Resumed
JEFFREY GREEN: Resumed
CATHERINE PENNINGTON: Resumed
MICHELE PERRET: Resumed
JAN WHITNEY: Resumed
JEFF PAETZ: Resumed

30348. **THE CHAIRPERSON:** So we'll move now to the questions from the Panel. Mr. Matthews?

--- EXAMINATION BY/INTERROGATOIRE PAR MEMBER MATTHEWS:

30349. **MEMBER MATTHEWS:** Good morning, everyone. I guess you guys are all looking forward to heading out today?

--- (Laughter/Rires)

30350. **MEMBER MATTHEWS:** I have several questions with regard to community -- the Community Investment Fund, the Aboriginal employment targets, Aboriginal procurement, business development in the Aboriginal community, education training and employment strategy, and some just general philosophical questions and a little bit on protocol agreements. Okay?

30351. So I'll just begin with my first question and it's open -- whoever wants to answer it. Considering that Northern Gateway plans on allocating 1 percent of the pre-tax profit to the Community Investment Fund, how will Northern Gateway ensure that this fund is successful in meeting the needs and enhancing the quality of life of communities for which the purpose of the fund is to establish? So, I'll open it up.

30352. **MR. JOHN CARRUTHERS:** We had envisioned participation in the allocation of the fund amount so we wanted to work with communities. We thought it might be a topic of dialog that we would have with them in terms of how best to allocate it.

30353. But thinking there'd be principles of what would qualify, generally fairly broad, and again representing the needs of the communities and then

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Matthews**

involving the communities in the allocation of those funds to directly go to what they see as a positive and value-added.

30354. **MEMBER MATTHEWS:** Okay, so it's direct input from the community that will hopefully help you, basically?
30355. **MR. JOHN CARRUTHERS:** Yes, because we did recognize it's the -- certainly the communities would have their own views of what's necessary and most valued for their communities and we're trying to facilitate that.
30356. So clearly it has to come from them and I think again it would just be done within broad principles that speak to the type of funding that could be appropriate.
30357. **MEMBER MATTHEWS:** Okay. Okay, thanks.
30358. Now, assuming that this Community Investment Fund is successful, do you see at some point in the life of the project increasing it from the 1 percent or are we -- is Northern Gateway satisfied with keeping it at 1 percent?
30359. **MR. JOHN CARRUTHERS:** I think 1 percent has generally been indicative of best practices, but again it would -- we are --very much want to be part of the community. Certainly, we've committed to the 1 percent.
30360. And again, there's various programs that might -- that will be in addition to it if we keep the same parental relationship with Enbridge. Enbridge itself has some very successful programs that we would look to initiate with Northern Gateway.
30361. Again, it's something we would look at but, certainly, it's a significant commitment I think, again, built on best practices.
30362. **MS. JANET HOLDER:** I think you'd probably see most likely as a practice that the 1 percent is committed to a particular fund and that's an absolute given in that we will be involved and living in the communities and doing other things.
30363. So there will be other means with which we can communicate -- we can participate in the communities over and above the 1 percent.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Matthews**

30364. **MEMBER MATTHEWS:** Okay, thanks.
30365. Now, going on with the concept of leading practices or best practices, sometimes how -- will a trust -- will this operate like a trust fund or will a trustee be appointed to manage this fund?
30366. **MR. JOHN CARRUTHERS:** I guess we'd have to look at that with the communities because, typically, you could have some choices in terms of do you build the funds up to be available or do you utilize them on an ongoing basis.
30367. Again, I think the main aspect is the commitment to 1 percent and then the allocation based on what the community's preference is would be the most appropriate.
30368. If, in fact, though, that some of the funds weren't going to be spent on a current basis, we could see a trust, but I think, again, it could also be operated from a commitment from Northern Gateway.
30369. I'm not sure if the trust is the most effective way to do that but ...
30370. **MEMBER MATTHEWS:** Okay.
30371. So I'm assuming that you'll get some community input on how to structure that eventually?
30372. **MR. JOHN CARRUTHERS:** Yes.
30373. **MEMBER MATTHEWS:** Okay.
30374. Because it leads to my next question is, I guess, the big thing that many communities are -- may be wondering is: How do they get access to these funds?
30375. **MR. JOHN CARRUTHERS:** Again, I think we can look at other funds and the process for accessing.
30376. I think one of the keys will be: How do you distribute it across the right-of-way and on the marine transportation corridor?
30377. So there will be an allocation issue of trying to make sure that

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Matthews**

everyone has equal opportunity to access it and then there is processes that we would use where, typically, it comes in from an idea from the community about -- that they would like funding.

30378. Today -- and that's based more on Enbridge's own processes -- as you go through, does it fit the principles? Is it aligned? And what's the priority?

30379. Again, we're trying to put more of that back into the community, so I think there will be some real good discussion about what's the allocation along and then I think it would be a little bit easier to -- based on the application process, to distribute it to communities that are in need.

30380. I think the key will be getting a fair allocation process.

30381. **MEMBER MATTHEWS:** So again, it's a work in progress, so to speak?

30382. **MR. JOHN CARRUTHERS:** Yes, and some of these are work in progress because I think, if they're not developed jointly, they -- they're not as effective.

30383. If things are just given to people, even if -- I think it's way better to participate in the development of it then people understand the issues that you've had to go through, the decisions you'd have to make; and I think that would be far more effective to jointly develop it.

30384. **MEMBER MATTHEWS:** Okay. I have to say "awesome".

--- (Laughter/Rires)

30385. **MEMBER MATTHEWS:** Now, while Northern Gateway has indicated a minimum target of 15 percent for Aboriginal employment for the Project, what year of construction or operation will Northern Gateway expect to reach that 15 percent threshold?

30386. **MS. JANET HOLDER:** Our intention would be that's initial, right from the -- you know, once -- you know, maybe not when we're just starting with a minimal amount of resources, but once the crews are in place and operating, which would be the first year of construction, we would expect to see that 15 percent.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Matthews**

30387. And that's really what we're asking our contractors to commit to, and that's the -- sort of the discussion we're having with the unions as well.
30388. **MEMBER MATTHEWS:** Okay.
30389. So in -- from your perspective, then, based on your -- obviously, based on the evidence and from your engagement with communities, how realistic is it to attract the cooperation and interest of communities to secure employment with Gateway -- Northern Gateway?
30390. **MS. JANET HOLDER:** To date, I mean, we did use the example of Northern Clipper, that we had -- I think it was close to 22 percent participation by Aboriginal groups.
30391. We do believe it's doable. We would not put the 15 percent out there if it wasn't doable. And as I said, I believe, on Saturday or Friday, it does require the engagement, but interesting, we're seeing that level of engagement in other work that Enbridge is doing already.
30392. So we have no reason to believe we won't get that same engagement with the -- this Project based upon our history at Enbridge.
30393. **MR. JOHN CARRUTHERS:** From a personal perspective, one of the things that was most -- just a sec.
30394. One of the things that was most impactful for me when I went in to communities, they talk about the lack of employment. They talk about kids not sticking through school and high suicide rates. It really hit home that Northern Gateway could be an opportunity for those communities.
30395. **MEMBER MATTHEWS:** It's great to hear that there is a light at the end of the tunnel, so to speak, and that it's realistic in your minds, so ---
30396. **MR. JOHN CARRUTHERS:** And necessary.
30397. **MEMBER MATTHEWS:** Okay.
30398. Now, if you -- in a glowing world and you exceed the 15 percent and you get higher thresholds, will all these other programs that we just talked about,

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Matthews**

will the funding be cut on all those programs or are you just going to go full steam ahead and still continue on with your programs that we just talked about?

30399. **MS. JANET HOLDER:** Well, I'll let Ms. Pennington give her, as we know, very passionate speech because she's -- very much believes in this, as we all do.

30400. But we have -- if we can get 20 percent, if we get 25 percent, all the more power to us. We'd be excited and ecstatic about that. We are not going to stop at any sort of level. We will strive to get the best -- you know, the highest level we possibly can.

30401. **MEMBER MATTHEWS:** Okay.

30402. Now, you know, when we talk about human resource development, we always talk about the attraction, retention, advancement of Aboriginal employees.

30403. Are there any glaring barriers that you see in those three areas for attracting, retaining and advancing Aboriginal employees that may cause your targets to maybe be slowed or maybe not being reached?

30404. **MS. CATHERINE PENNINGTON:** So when we talk about, you know, workforce attraction and retention and advancement, those are really important things to Enbridge, as a corporation, and certainly to Northern Gateway.

30405. I think it's fair to say that we've heard from communities that they don't want to come in to this Project and just be in a labouring position. They want to have the opportunity for the short, medium and long term to grow a career. And that -- I think our program really reflects that.

30406. Like, we are -- we've -- since 2006, we've been making investments in skills development. Somewhere in the neighbourhood of \$1 million has been spent to date --over \$1 million has been spent to date on skills development. And really, the education and training fund was designed to help us work with communities to have that mechanism.

30407. So in attracting individuals, I mean, I think it's a really exciting opportunity for individuals and for the sector and so we are seeing a real interest.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Matthews**

30408. And I think our approach speaks to also a renewed interest in working with us.
30409. To be quite frank, I think we all know, sitting in this room and listening and being a part of any kind of community Aboriginal engagement, there are capacity challenges within communities quite frequently and we recognize that.
30410. And I think part of what's helped us here is that we didn't just stop at making an investment at the college or university level. And actually, that was direct feedback from communities. They said, you know, don't just use investments or scholarships. Work with us where we're at, help us deal with Aboriginal youth -- all the things that John spoke about earlier that we're really passionate about.
30411. So it's also incumbent upon us to continue to help and support individuals move through the process of advancement, retention. And I think that we do have some pretty solid ideas and programs in place, but those are only enhanced by community involvement.
30412. **MS. JANET HOLDER:** I think just to add, we have actually seen a strong interest as well.
30413. When we've been in these hearings, a lot of times when we've been in the smaller communities, especially here in the north, we have run into people, especially young people outside in the lobbies or outside when we had nice weather saying, "You know, we really do want to work. We really are interested in jobs, you know. What do we need to do?" And we've received over 2,000 résumés to date.
30414. Now, not all those would be from Aboriginal groups, but we have received a number of -- actually we take -- we somewhat joke that we actually have more résumés sent in than there were oral statements in opposition.
30415. So we do clearly see a strong interest to work on this project and -- and we're getting that daily which is a good sign.
30416. **MS. CATHERINE PENNINGTON:** I thought of one more thing I just could add. You know, the -- the other part around some of the challenges is often essential skills are a challenge for many communities and, you know, that

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Matthews**

- relates back to larger social challenges around school and access to education and -- and those sort of issues that communities face. So that's where I would say that the lions' share of our engagement and really program planning in community education to date has been around essential skills that lead to employment outcomes.
30417. So, you know we, right from the beginning said training for the sake of training would be a disservice to communities because we can't train for Northern Gateway. We don't know the fate of that particular project, but we do have an opportunity to help train individuals, link them to employment and hopefully pull them back into our project. So I think focussed on essential skills, community driven and again looking at youth.
30418. **MEMBER MATTHEWS:** Great, thanks.
30419. Okay, I'm going to -- I'm going to pick a year, 2025. How many Aboriginal employees will be in the executive or senior management of Northern Gateway?
30420. **MS. JANET HOLDER:** Interesting enough, in our Prince George office, we believe right now, which would be our senior -- more senior group, we're at 50 percent Aboriginal. So I would say that would be a -- we would want to maintain that, at least.
30421. **MEMBER MATTHEWS:** Okay, that's great, thanks.
30422. Now, with regard to Aboriginal procurement, Northern Gateway, of course have indicated that they will set aside approximately 300 million in a set aside for Aboriginal businesses, contracts, supply services. Does this amount include subcontracting and will contracts be pieced out into smaller units to meet your -- that set aside target?
30423. **MR. RAY DOERING:** We will be piecing out the construction elements of the project, in particularly in effort to maximize Aboriginal joint ventures and Aboriginal businesses to take advantage of -- of some of those opportunities. We're actually advancing quite far right now, particularly around the camps and catering element for the project. There's actually a very high dollar potential value to that component of the pipeline and facility construction and that's one area that we're really exploring, some very relevant and current Aboriginal businesses that are actually in that particular service.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Matthews**

30424. But there are probably a dozen other categories of potential contracting opportunities that we're looking at along pipeline construction, anywhere from some of the traditional activities like road building and clearing and logging and salvage opportunities, fuel supply, trucking contracts, concrete weights for pipeline buoyancy control, skids and mats for pipeline construction, stockpiling, surveying, reclamation activities, a variety of other consumables.
30425. I mean, that -- that's just a start, but we are looking at things we can do to work with some of the -- the major pipeline construction contractors and facility construction contractors to break these contracts down into elements that -- where we can achieve success with the Aboriginal communities and their joint ventures.
30426. **MS. CATHERINE PENNINGTON:** And I just add that a focus of the business development piece of work that's been ongoing for a number of years now and will continue to be is also much like community education, building bridges between larger contracting organizations and Aboriginal businesses or community businesses or individual businesses.
30427. And that, I think, could be as an example of the two business summits that were held by Northern Gateway in conjunction with community. It was a community driven initiative. It was requested by community, both very successful opportunities to bring together the larger contracting community with our Aboriginal community businesses, and there again, is a space for dialogue and discussion where there's opportunity to share information and grow the, you know, the value proposition between the two groups.
30428. **MEMBER MATTHEWS:** I'll just -- sorry, go ahead.
30429. **MS. JANET HOLDER:** Just one other comment, just -- I think what we've done also that needs to be recognized is we've started these dialogues now. We're already having a dialogue, for example, around the camps with -- with Aboriginal groups. So that it's not something we're waiting for approval on. We are spending the effort and time now where we can to tee some of these initiatives up.
30430. **MEMBER MATTHEWS:** I just want to follow-up on a comment from Ms. Pennington. What is the relationship like between the Aboriginal community and the pipeline unions or any other unions? Is there -- are they -- is

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Matthews**

- there a strong relationship or -- because I recall that Mr. Fisher and others have talked about the significance of the unions in -- in assisting in procurement and I'm just wondering if you have a sense of that.
30431. **MS. CATHERINE PENNINGTON:** So I think it's fair to say that to break down, you know, the relationship between the two groups, it varies, right, between province and region and also experience within pipeline construction.
30432. I think my sense of what's happening in community as when we -- when we talk about opportunities, we've had tremendous cooperation from our union partners, from our non-union partners within those communities -- the construction community, to come out and talk with us.
30433. So for example, we're going to be hosting some job fairs and pipeline understanding forums between union and communities coming into 2013. So the relationship is, I think, by and large, very positive.
30434. We have tremendous uptake and interest from unions who want to work with the Aboriginal community, who are very respectful of the targets, very interested in the targets and commitments that we've made. Even so much as having conversations about lowering the union entrance fee for -- for many union positions or union organizations and that really comes directly from community saying, look, you know, we -- we think it's really important that we make this accessible, and then we can then take that back to the union organizations and they say, yeah, we agree. Let's find a way to make this work.
30435. So we have a great opportunity to work with both groups and to facilitate ongoing relationship.
30436. **MEMBER MATTHEWS:** And I just want to ask something about pre-qualifying Aboriginal businesses. Is there -- will there -- there be a preference to an Aboriginal business in pre-qualifying? And what I'm getting at is that a lot of Aboriginal businesses will require certain insurance requirements, bonding requirements and other certifications, will Northern Gateway sponsor or contribute to helping Aboriginal businesses pre-qualify for bidding on work?
30437. **MS. CATHERINE PENNINGTON:** So the short answer is yes. And to qualify that a little bit, we do have a business development team that works across the project -- the engagement area.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Matthews**

30438. Really over the last number of years has been identifying community-based businesses, individual businesses, has been canvassing beyond the corridor to look for other suppliers of goods and services. We fully intend to provide support to businesses so that they will be in the best position to take advantage of -- of this project.

30439. **MEMBER MATTHEWS:** Okay. I'm just looking at my other question here. The -- I just want to ask you about the contractor readiness program. How did the contractor readiness sessions directly address skills, training and involvement in employment on the project?

30440. **MS. CATHERINE PENNINGTON:** So the -- again, the contractor readiness boot camps or seminars came from direct request from community to have an opportunity to better learn about all the things that you identified earlier, the safety requirements, the insurance, the pre-qualification process.

30441. And, you know, I guess I look at it like, when we talk about the benefits associated with this Project, the \$1 billion worth of benefits of this -- for Aboriginal people with this Project, I think it's fair to say that Aboriginal business will, by and large, employ Aboriginal people.

30442. So by building up Aboriginal business, you're actually providing a capacity for ongoing employment within that business.

30443. So I think it has a direct relation and, again, allows for businesses to get a better sense of what's needed to participate in our sector, you know, what's required for safety, for competitive business, everything from managing insurance to living up to the pre-qualification or the contract, the contract award piece.

30444. **MEMBER MATTHEWS:** With regard to the Trade Winds To Success, I understand that it's an Alberta based program but are there similar plans in place for establishing a similar organization in B.C.?

--- (A short pause/Courte pause)

30445. **MS. CATHERINE PENNINGTON:** So I guess the equivalent of Trade Winds to Success, in B.C., is yet to be determined.

30446. We know of that particular organization in Alberta that's had tremendous success with really providing the pre-readiness training and some of

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Matthews**

- the entry level skills for the trades.
30447. And we really feel continually honoured to be a part of that program because we've seen it first-hand in success and my team follows up with all of the students that we support in that program as an ongoing measure. We think that monitoring is really important.
30448. On the British Columbia side, a lot of our engagement to date has been -- I'm going to say more directly in the community or supporting community capacity within organizations that come up through discussions, much like the Lake's District Aboriginal Training to Employment Societies. So the investment has been there.
30449. We have had conversations with the Aboriginal Industry Training Authority in B.C. and we continue to have or we plan to continue to have those conversations. And we do look for investments that would allow to support trades and technology training for Aboriginal people.
30450. But I think, in fairness, to date, a lot of our focus has been on community-based in B.C.
30451. **MEMBER MATTHEWS:** And just to go back to the pre-qualifying question, what types of businesses have already expressed an interest?
30452. Like, what types of businesses are -- have indicated interest in pre-qualifying?
30453. I think Mr. Doering mentioned a few but I mean, can you be more specific?
- (A short pause/Courte pause)
30454. **MR. RAY DOERING:** We've had a number of Aboriginal communities supporting work that we've been doing, to date, on the Project right from various environmental fieldwork, a lot of environmental monitoring and field crew support work.
30455. We have had Aboriginal support on some of our earlier geotechnical programs and we expect, as we move forward with additional environmental field work and geotechnical fieldwork, that we'll continue to build off of that. We've

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Matthews**

- had environmental support with some of our surveying crews and that's another area where we've been engaged with some of the big surveying contractors to try and maximize some of those opportunities and training opportunities in the Aboriginal communities.
30456. So those are some of the early activities that we've had involvement on but we've seen interest from,, certainly the logging, the road building, various other construction support activities. I think we heard Ms. Holder describe one of the large pipeline contractors -- pipeline construction contractors based in Northeastern B.C. has already been engaged with Enbridge on a large amount of work in the Prairies essentially and we'd be very interested in seeing companies like that being successful here on the Northern Gateway Project as well.
30457. I think there's a few examples and I know Ms. Pennington might be able to think of a few more as well.
30458. **MS. CATHERINE PENNINGTON:** Well, just reflecting on the list that we shared earlier, I think in almost all areas there's been an expressed interest.
30459. Similar to what Mr. Doering say, I guess I'd only add the environmental monitoring and surveying are the two others that I would add to his list.
30460. **MEMBER MATTHEWS:** And just for our curiosity, has most of the interest been expressed from Alberta or B.C. or can you just say equally?
30461. **MS. CATHERINE PENNINGTON:** I would say that there's been equally as much interest in Alberta and British Columbia, specifically in the terrestrial part of this Project within British Columbia.
30462. The marine service portfolio is something that we've just, you know, begun to discuss and I think those conversations will be ongoing -- I shouldn't say begun, they have been ongoing for a long time but getting into the real heart and the details of the interest will be yet to be determined on the marine side.
30463. **MEMBER MATTHEWS:** Okay, great. Thanks a lot.
30464. Okay, now, I'm going to move on to the education and training.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Matthews**

30465. Northern Gateway has indicated that they've put aside a \$3 million fund or expenditure towards that and I -- do you see -- if there's an overwhelming success with that \$3 million, do you see increasing that amount at some point in the future?

30466. **MS. JANET HOLDER:** First of all, I think I did mention the 3 million is sort of our commitment and we plan leverage every one of those dollars and hope we make that 3 into 6 and we've actually had a good success to date.

30467. We talked about the million dollars that Gateway has spent on the project and skills and training and actually is -- that's been a larger amount given what has been contributed by other agencies.

30468. So if the desire is there and we're seeing that it is of value to us, definitely, we would commit to more dollars but, at this point in time, we're -- the 1 million we just decided a few months -- I guess, where are we at -- probably early last fall to move that into 3 and as we see this evolve, if we find that there's a demand for it, need for it and there's value in doing more, we would do more.

30469. **MS. CATHERINE PENNINGTON:** I guess I might just add that, you know, none of these amounts at this point, I guess, are fixed. You know, we have full intentions of making good initiatives great and that isn't always just with additional dollars. It's a commitment to the process. It's putting people in positions. It's funding capacity. It's helping with capacity.

30470. You know, it isn't always just about the money. I think some of our most impactful moments within education and training and community education hasn't necessarily come from money, it's come from commitment.

30471. And an example of that would be -- and I won't try to tell too much of a story but about a year ago we had a forum -- an Aboriginal forum and it was a technical session. It was a large technical session and there was a young man in the audience and he had just been accepted into UNBC to do some engineering studies and he's Aboriginal. And he listened to some of our technical experts talk very passionately about geophysical engineering -- I don't know if that's the right -- geotechnical engineering. Sorry, a social worker is trying to describe something she knows nothing about really.

30472. And what happened was that young man reached out to that same engineer and said: "You know, I think I'm really interested in this now." And

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Matthews**

this was late -- early April, mid-April and we worked tirelessly to find him a summer job and he just graduated from high school. We found him a summer job.

30473. We were communicating with his parents, trying to find him a place to live in Calgary so that he would take this opportunity for two months, and he changed his interest and he's now pursuing studies at UNBC and we hear from him frequently. So that really wasn't a financial investment. It was a human investment.

30474. **MEMBER MATTHEWS:** I'm pleased to hear that, you know, the value of it is demand and how popular the program is in the community but will that success be shared with -- I guess I should back up. Who would be the matching contributor?

30475. Like, who do you envision being a matching contributor to that \$3 million fund?

30476. Like you were saying, you ideally would get 6 million and maybe higher if it's -- if there's a lot of demand for the program but who typically would be the matching contributor?

30477. **MS. CATHERINE PENNINGTON:** So the way that we've designed the program -- the Community Education Program -- it's in full alignment with already existing programs and services federally and provincially.

30478. So, for example, we work with Aboriginal Skills, Employment and Training, Strategy Agreement holders -- asset holders. We often incorporate the existing services into the program and that's, again, at the community's request and community-driven approach. So we definitely look at those organizations.

30479. We've worked very closely with Alberta Human Services. And quite often, if we align both Alberta Human Services, Aboriginal Affairs and Northern Development, the Work B.C. initiative program, so it's also an opportunity to bring in the existing services and enhance the programming, which can be financial. It can also be the human side.

30480. And additionally, we've had commitments from some union organizations with respect to training, so we think that those are some really good examples.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Matthews**

30481. With the -- one of the projects, through our investment, that organization was able to attract around 400,000 for programs, so it's often an individual matching fund. We really initially designed this fund to help us attract other money, and it's been very successful.
30482. **MEMBER MATTHEWS:** So in an indirect way, it's -- one of your potential matching partners could be a community, an Aboriginal community; right?
30483. **MS. CATHERINE PENNINGTON:** And they are.
30484. **MEMBER MATTHEWS:** Okay.
30485. **MS. CATHERINE PENNINGTON:** I mean, they're offering a lot of services. They're offering their human and social development workers, they're offering community expertise. They're offering sometimes, you know, for example, even Elders to come in and work with students at lunch.
30486. Like those kind of things are community investment as well, so they do have skin in the game, so to speak, and the skills and training.
30487. **MEMBER MATTHEWS:** Okay. And how well -- you know, with all the various colleges, the community colleges, I guess some university campuses in the north here, how well are you doing with engaging with those colleges and universities? Have they pretty well bought in to your vision?
30488. **MS. CATHERINE PENNINGTON:** I think it's fair to say that we share the same interests and values around education. I think that's true.
30489. It's going to be different from campus to campus, organization to organization, but we have had conversations and ongoing conversations with all of the northern colleges and universities. And that's something that started as early as 2006 and continues ongoing.
30490. We are partners with some of those organizations in community-based training.
30491. We're also engaging organizations, colleges, universities in discussions that's been community driven, especially around youth transition camps, so

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Matthews**

- helping young Aboriginal individuals and communities get a better sense of what university or college experience could be like, modelling off some of the programming that's happened in other parts of the country. It's been really successful.
30492. So I think we do have a lot of communication examples of working with colleges. And you know, at the end of the day, regardless of how you feel about this project or industrial development at all, I think we share similar interests and values around education.
30493. **MEMBER MATTHEWS:** In the evidence you sometimes use the phrase "community as expert model"; what does that mean?
30494. **MS. CATHERINE PENNINGTON:** So what that means to us is -- and I spoke about it earlier this week, that we don't superimpose a program. We don't just sort of come in to a community and say, well, we're funding heavy equipment operator training this week, we're providing scholarships for engineering.
30495. The community as expert model is really driven from communities know what they need, they know who they are, they know what their interests are, they know who their partners are. And they are fundamentally the leader in the process.
30496. So we really have worked hard to ensure that that includes things like open dialogue and listening and full engagement and taking the direction of the community, recognizing that they're going to know best what they need for the short, medium and long-term.
30497. **MEMBER MATTHEWS:** Now, with all of these programs, how well -- what kind of monitoring do you see, like obviously it's going to be quite complex to keep track.
30498. So I'm just wondering, how are you going to keep track of numbers, let's say? How are you going to be able to -- be positive that you're meeting your targets and how frequently would you monitor?
30499. **MS. CATHERINE PENNINGTON:** So I'm going to break that up into kind of two pieces, and the first is around the community education piece, the skills development piece.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Matthews**

30500. The following and monitoring is a big focus of our federal government around skills investment. So I think it's fair to say that when we work with a community and we encompass or wrap around the services that exist for them, the monitoring is something that they do as part of their -- I guess their program specifications, so they do a lot of monitoring.
30501. We also talk about the importance of monitoring and follow-up and we take the community's lead on that.
30502. As I stated earlier, with some of the programs that we fund directly, we do follow-up with students and the organizations follow-up with students. And that speaks to our commitment of matching -- job matching and, really, the power of finding that effective job so that an individual has -- feels sustained and supported for the long-term.
30503. When we look at the -- when we look at the construction piece and we look at the target, we have construction liaisons that are employed on each spread. We also have, typically, construction liaisons that are employed with the contracting -- contractors as well. So they are providing reports to us weekly.
30504. And, you know, I can speak to an experience that I had last year on the woodland project with one of our Aboriginal construction liaisons. And I told him after I spent about 10 days with him he was probably the best social worker I'd ever seen because he was really incredibly connected to, dare I say, every Aboriginal person on that project.
30505. And it -- those are the kind of people that we look to employ, people that know community members. They're reaching out to organizations, they're constantly in communication with individual employees and with the contractors themselves and having dialogue around how to increase participation and maintain participation.
30506. **MS. JANET HOLDER:** Unfortunately, we've kept Mr. Carruthers fairly busy here in the last few months, so we haven't had a lot of time for this dialogue, but we have had some initial discussions on how do we move forward on this project and, in particular, the logistics around tracking of our commitments, whether it be through education and training or any of our commitments.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Matthews**

30507. And we will need some form of logistics group or groups just to keep ahead of everything that we are doing.
30508. But it -- one of the things that we have done and as Enbridge has done in the past and we've talked about on this project as well is do we have Aboriginals come in and help with some of this process. Do we have them helping -- you know, I think we've heard -- we can use emergency response, for example, but is there a -- and I hate to use the word audit role because it has such a specific meaning for some people. But is there a role that we can use Aboriginals to help us ensure that we are getting the right information and we are actually tracking the right measures.
30509. **MS. CATHERINE PENNINGTON:** And I guess I would also add to that that certainly the Aboriginal participation plans which are a requirement of the bid process for the prime contractors and contractors for this project, that detailed Aboriginal participation plan will set out how the contractor intends to work with the Aboriginal community, with the Aboriginal businesses, how they plan to work with us in reaching and exceeding the commitments and targets that have been set out.
30510. **MEMBER MATTHEWS:** Okay, thanks. That's great.
30511. I'm just going to move on to some more deep thought, philosophical questions.
- (Laughter/Rires)
30512. **MEMBER MATTHEWS:** Okay, which statement best describes Northern Gateway -- Northern Gateway's engagement with Aboriginal communities? Is it (a) Northern Gateway's objectives are to increase Aboriginal support and participation in the project or (b) Northern Gateway's objectives are to increase Northern Gateway participation and to be a partner in the Aboriginal community development to complement and support community goals and objectives?
30513. **MS. JANET HOLDER:** I would think there's some part of (a) in there, but it's definitely, I think, what I heard was (b).
30514. We've talked right from day one that we want to be partners with the Aboriginal groups, that we're very much striving for that. That's the dialogue

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Matthews**

we're having. We're trying to understand what they contribute that's of value to us and what we can contribute that's value to them.

30515. And we talk about -- you know, we've talked a lot about the equity agreements. And the equity agreements, really, are just a foundation. It was nothing more than our opportunity to start that initial engagement and provide sort of that ongoing revenue so that it's easier for them to continue to engage with us and try to determine the best way to partner.

30516. **MR. JOHN CARRUTHERS:** Yes, we would definitely see success as the Aboriginal communities being better off today than they would be -- if Northern Gateway proceeds, they'll be better off. And we really saw that as a long-term alignment.

30517. And it did seem like those were achievable in terms of when we went to the communities and saw what things that they were struggling with, we really could see that we could be a positive influence and the communities would be better off with Northern Gateway proceeding.

30518. **MS. JAN WHITNEY:** And if I could just add to that.

30519. I think, clearly, obviously, participation is huge, understanding the community plans in terms of their desires, wants, interests.

30520. Again, if we go back to the Aboriginal Business Summit, that was clearly community driven because that was identified by the communities very early in terms of they did not have that information or have that connection of how to make a linkage directly to the opportunity.

30521. So those type of initiatives we definitely look to develop that so that we can help the communities in a manner that makes sense to them at the community level and community plans.

30522. **MEMBER MATTHEWS:** And based on answer B, am I correct that that would also apply, obviously, to non-Aboriginal communities?

30523. **MS. JANET HOLDER:** Yes.

30524. **MEMBER MATTHEWS:** Okay.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Matthews**

30525. And then, my last question -- couple of questions, as I was reading -- or as I read the tens of thousands of pages of the Application and the updates, I noticed that, in the early days -- at least beginning in 2005 -- that Northern Gateway established or negotiated formal protocol agreements -- and we saw that referenced in an IR a few days ago -- and I just wanted to get an understanding on these formal protocol agreements.

30526. How many of these agreements are still in place with communities from 2005 at least?

--- (A short pause/Courte pause)

30527. **MS. JANET HOLDER:** So we do refer to protocol agreements but some communities, actually, or some groups actually refer to them as MOUs. So there's different terminology.

30528. But, currently, there probably is about nine active in Alberta and British Columbia; mind you, we still have engagement with a lot more than that but there are still a number of agreements still active.

30529. **MEMBER MATTHEWS:** I'm trying to recall the operative word, but it appeared to me, anyways, that some of these agreements had almost like a shelf life, that they were -- in the early days there were many, I think, more than nine communities who had MOUs, protocol agreements, whatever you want to call them.

30530. And I'm just wondering, for those communities who do not sign on in the new MOU under the Aboriginal Economic Benefits Package, is there a chance that these older type of MOUs or protocol agreements can be revived?

--- (A short pause/Courte pause)

30531. **MR. JOHN CARRUTHERS:** Generally, those agreements were put in place so the communities could do an assessment of the project because we recognize that we're preparing -- Northern Gateway needed -- they needed to do an assessment and that's what they generally went to and they would -- that process has gone through. And we also, of course, contributed significantly to providing funding for Aboriginal Traditional Knowledge Studies so, again, people could understand the impacts.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Matthews**

30532. Do see, going forward, that the -- there'll be a few -- there'll be a number of ways that we'll maintain consultation and opportunity, but there'll -- definitely, we envision seeing more of economic opportunity agreements going forward where they could see benefits in all of what we've just talked about: training, procurement and jobs.
30533. As well, we also will be facilitating significant engagement through all of the processes we've talked about in terms of the monitoring and the joint work we're going to have in the follow-up programs we'll have. So there will be a lot of agreements that we'll need to make with communities in terms of their role in those follow-up programs and so they could be directly from an environmental perspective, they could be economic as others, but there certainly will be a number of potential opportunities.
30534. But the assessment part will -- through that process would say now and it's more on how do we work together going forward in those follow-up programs.
30535. **MEMBER MATTHEWS:** Because I guess what I envisioned or what I saw in these agreements that they serve -- I think they serve the company well in encompassing the interests of the community, but I'm just wondering, as you mentioned, Mr. Carruthers, about the monitoring.
30536. I'm wondering if these types of agreements can be revived as umbrella agreements for the purpose of monitoring all of these initiatives: the procurement, the employment, training, business development, ongoing ATK and consultation programs.
30537. **MR. JOHN CARRUTHERS:** I'm not sure that would -- I think, in many cases, you'd want to make sure the monitoring is efficient and effective and I'm not sure you'd want it by community necessarily.
30538. So I would have seen a different program and wanted to make sure there's transparency in that the trust could be built.
30539. And there will be opportunities for specific agreements with communities which will have a component of monitoring, but I wasn't sure -- I personally didn't envision just a monitoring for every community, necessarily, that some could be a lot broader and be more effective that way for all parties.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

30540. **MS. JANET HOLDER:** But I think also, clearly, we recognize we will have agreements with the Aboriginal communities in the North going forward.
30541. It will take on a different look, I think, than what we've had in the past because we're at a different stage. I mean, there will not be the same level of studies required so there won't be the money spent on helping them understand our Application or helping them to do ATK studies, it's really going to be more about how do we work together as parties on benefits.
30542. And some of those will be individual, to an individual Aboriginal group, and sometimes it may need to be done -- as Mr. Carruthers was referring to, you may need two Aboriginals per province or something on a specific issue, whether it be around monitoring.
30543. So we'll have to work out those details on a go-forward basis with the communities but, at the end of the day, we definitely will have agreements with the Aboriginal groups going forward.
30544. **MEMBER MATTHEWS:** Okay, that's great.
30545. That's all I have to say and awesome answers. Thanks.
- (Laughter/Rires)
30546. **MS. JANET HOLDER:** And I didn't say CAB once.
- **EXAMINATION BY/INTERROGATOIRE PAR MEMBER BATEMAN:**
30547. **MEMBER BATEMAN:** Good morning. I have a few follow-up questions to the responses to Mr. Matthews' questions and then I will move on to my own questions.
30548. With respect to the \$1 million that's been invested to date with respect to skills development, has all of that been directly with respect to the Northern Gateway Project?
30549. **MS. CATHERINE PENNINGTON:** Yes.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

30550. **MEMBER BATEMAN:** With the indication that you have received 2,000 résumés -- and that number presumably could increase -- if the Project was of the type that has been being presented was to be in place, how many of those applicants would be qualified for employment?
30551. **MS. CATHERINE PENNINGTON:** So it's a bit difficult for me to answer that based -- if I look at the 2,100 résumés that were collected. And incidentally, in January of 2012, we redirected that résumé uploader to our opportunities within Enbridge corporately. And the reason for that is that given that we were moving into the review process, we felt that it was appropriate to redirect job seekers to opportunities either with our contractors or with our organization with Enbridge itself.
30552. So I guess I go back to -- you know -- the statement that there are tremendous opportunities within the pipeline and construction sector for a broad range of skills. And when I think about -- and I certainly can't speak to 2,100 résumés but the general person who is looking for work was in the construction sector.
30553. So I think it's fair to say that given the commitment of the contractor and given the demands in our sector, that individuals that are interested in working within the sector have a very good chance of doing so.
30554. **MEMBER BATEMAN:** With respect to the Prince George office and the response that you gave me Ms. Holder, that there were 50 percent who were in a management or senior management role, first, how do you define management and senior management?
30555. **MS. JANET HOLDER:** In Northern Gateway's case, it would be anybody sort of manager and up. We're a very small organization still. We have a huge group working out of our major project's group on this project, working primarily on the Class 3. So the Gateway -- the Gateway numbers are fairly -- still fairly small and so I would include basically managers and up.
30556. These are people that I talk to daily, which would be the people at this table, for example and others. So it's our management team, the ones who are really driving this project forward right now.
30557. **MEMBER BATEMAN:** You referred to 50 percent as the number in the Prince George office. What does that translate to in numbers?

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

30558. **MS. JANET HOLDER:** So I believe we have six individuals in -- working full-time in the Prince George office, there's others that come and go and three are Aboriginal -- from Aboriginal groups or communities.

30559. **MEMBER BATEMAN:** Of those three individuals, how many, by name, are part of a succession plan?

30560. **MS. JANET HOLDER:** Within Gateway, that's unfair for me to answer in front of this crowd because they know who they are and -- so the only answer I could possibly give and save -- and be true to a process is say they are all being considered for future opportunities in Gateway.

30561. **MEMBER BATEMAN:** So it sounds that succession planning is a real part of your program.

30562. **MS. JANET HOLDER:** Yes it is. It's -- and as I say, we're actually slightly behind the curve because of this process for this year and it's on John and my agenda as soon as he gets off the stand in a couple of weeks.

30563. **MEMBER BATEMAN:** We've heard a great deal about the community investment programs and they are largely directed towards skills development. There is the hockey program and others that I've referred to, maybe as youth leadership experiences. I think from a social science perspective, successful schools, successful communities, successful programs, at their root, are an extension of successful families.

30564. And the family really is the important institution and when it's healthy, then its spill-over effect is seen in any community, whether it's an urban city in Canada, whether it is a town, whether it is an Aboriginal community.

30565. With respect to the community investment program, does Northern Gateway see that it has a role in strengthening the family, and how is that reflected?

30566. **MS. JANET HOLDER:** Very much so and I think it's interesting, my background has spent a lot of time in our gas distribution side of the business which dates back 160 odd years. And the motto of the company is for the good of the community and that has lived and breathed for 160 some odd years and lives and breathes in Enbridge and lives and breathes, I think, in Gateway.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

30567. We're all encouraged and most all of us participate in some sort of other not-for-profit activities outside of the office. We -- that's very heavily supported by Enbridge and will be very heavily supported by Gateway. I -- so I think -- we do believe very much we have to be part of the communities and that does feed into the health and welfare of the communities that we live in.
30568. It was very important for us, for example, to move the head office from our Calgary office to Prince George because we needed to be part of that community in the north.
30569. Michele Perret mentioned earlier about this women gaining -- women in -- I want to say women in communities was, in part, the fact that a lot of our employees were spending all their time in the north corridor of the project and missing out being at home in their communities.
30570. So they just started -- they said, well we can spend time in these communities, it doesn't have to be our home communities, it could be in the communities that we will be eventually working in. So it is -- it's part of the fabric of our culture and I have no reason to believe that should change.
30571. If anything, I -- it's very much a part of who I am; I'm very heavily involved in community work and have been my whole career. That will continue on and now that I've moved back to Prince George, and that will be encouraged by me to everybody who works at Enbridge to be very much a part of the community and contribute in any way they can and Gateway -- Northern Gateway will support those initiatives.
30572. **MS. CATHERINE PENNINGTON:** I just might also add that, you know, a lot of the community investment dollars that have been spent to date, I think do support families. You know, we support the food banks. I mean, we've been, as an organization, adopting families at Christmas time.
30573. There's all -- there's a whole range of activities that we can do and I think everybody sitting on this panel -- I think it's reflective of our organization -- recognizes that this is not just a project, it's not just a pipeline. We have a great opportunity to work together to enhance families and communities, Aboriginal communities, non-Aboriginal communities and we can do that through being innovative and responsive and responsible.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

30574. **MS. JANET HOLDER:** The one other just comment I want to make on that is we'd be hard pressed not to in these communities too. As much as we see a lot of opposition, we read what's in the media, with -- when you get into these communities, the people are always talking to us. We're -- you become instantly part of a small community.

30575. They want you to be involved. I think we'd be very hard pressed to shelter ourselves from being a part of the community because the community wants us there and we want to be part of it. So it's not just that we're -- we have to go out and find opportunities, people are there and seeking our opportunities -- seeking our support and help.

30576. And I'll use an example. We had a very passionate, passionate comment or speech given by the head of the Salvation Army in Prince George to a group of women that -- and I don't -- I can't remember the dollars that we gave to the food bank which the Salvation Army is responsible for but I don't think there was a dry eye in the place.

30577. The women were just absolutely amazed at how passionate these organizations are and how much they really appreciate what we're doing and the fact that we're there to help out.

30578. **MR. JOHN CARRUTHERS:** And the other very good example is the School Plus Program that Enbridge has in place. At this point it's one that we would look to continue, would be over and above the 1 percent but it's been a very successful initiative to keep Aboriginal youth in school.

30579. So it goes to -- probably the other things that make school even better, where it's the extra-curricular activities that they're supporting to make school a more fulsome, more rounded experience.

30580. **MS. CATHERINE PENNINGTON:** And I promise to leave this but I just can't. I'm just -- the raging social worker in me heard family and I'm just really excited to say one more thing.

30581. And that is in the -- a lot of the education and training activities that are community based, quite often that's a key component that communities bring up. They say, we want the education and training but what about the essential and life skills. And quite often that will include, for learners, I don't want to say parenting courses but there will be an aspect of parenting and families built in.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

And we respect that that's an interest of theirs and fully support that.

30582. **MEMBER BATEMAN:** Thank you.

30583. As part of its evidence in the last week, Northern Gateway witnesses, Mr. Carruthers, Ms. Holder and Ms. Pennington made statements with respect to the spin-off benefits for Aboriginal communities. I'd like to better understand some of those statements and in each case, to my following questions, I would like Northern Gateway, to the extent possible, to provide further details around the relevant facts, the forecasts, and the supporting documentation.

30584. First, I heard that the spin-off benefits were expected to be well in excess of \$1 billion. What is the actual spin-off benefit amount that's been calculated by Northern Gateway?

30585. And just to be clear, I'm referring to Aboriginals.

30586. **MS. JANET HOLDER:** The \$1 billion was actually a number that was done earlier when -- early on in the process when we had a project that we thought was about \$5.5 billion. So it's based upon a 5.5.

30587. Of that it's just shy of \$300 million. So we've been rounding to roughly \$300 million will be what is the equity value that we have offered to the Aboriginal groups.

30588. There is 300 million in construction. And this is the goods and services that -- procurement that we referred to earlier that Mr. Doering went through the list of, the various procurement opportunities, goods and services.

30589. There is 2 to \$300 million in tunnels and marine work. And then we believe there's another 100 million in labour opportunities. This is the direct award, set asides and sole sourcing.

30590. **MEMBER BATEMAN:** Where ---

30591. **MR. JOHN CARRUTHERS:** So -- sorry just to add, sometimes when I speak to that these are the -- what comes out of the direct costs that Northern Gateway is spending. But whenever the project goes ahead those dollars create other investments and other activity, other jobs.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

30592. So, generally from those perspectives I was looking at, what's often done through the econometric modelling where they look at spend of the big dollars and what that generates.
30593. So I was more on -- that specifically was more focused on the indirect and induced type of opportunities that would come as well.
30594. **MEMBER BATEMAN:** So in economic terms the ripple effect of that investment. And that actually leads to my next question, what is the range or the calculation by Enbridge or Northern Gateway I'm sorry, with respect to Aboriginal businesses?
30595. So these would be parties who are not providing direct services but are benefiting through indirect opportunities.
30596. **MR. JOHN CARRUTHERS:** I would need to check if we've taken the ripple effect numbers and then calculated an opportunity for Aboriginal people from that, and I haven't done that.
30597. **MEMBER BATEMAN:** I'd like to invite you to do that and then report back to the Panel to the extent that you can provide either ranges or results.
30598. **MR. JOHN CARRUTHERS:** Yes we will.
30599. **THE CHAIRPERSON:** Can we have an undertaking for that please?
Number?
30600. **THE REGULATORY OFFICER:** U-75.

--- UNDERTAKING NO./ENGAGEMENT No. U-75:

For Northern Gateway to take the ripple effect numbers and calculate the number of opportunities for Aboriginal people.

30601. **MEMBER BATEMAN:** Now the undertaking is to deal at a more granular level in terms of specifics but I'd like to have a better understanding of how that messaging is being carried out to the Aboriginal communities in ways that are clearly understood?
30602. **MS. CATHERINE PENNINGTON:** My colleague Jan Whitney can

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

speaking in a moment, about some of the specific examples but maybe I'll just start with a bit of a high level.

30603. We do, as I said, have a business development team that has been working for a good number of years now communicating with communities directly about the opportunities. So explaining what the opportunities are and then gathering information from those same communities around their business services that they currently offer or even intend or plan to offer.
30604. So that could be both the community business that is either band operated or nation owned and operated or it could be the business list that the community would maintain and would provide.
30605. So that would also tie into the business summits that we discussed earlier, so there are a few different platforms that have been used to communicate the opportunities and I'll let Jan explain a little more.
30606. **MS. JAN WHITNEY:** The only thing that I would add to that is in terms of when we're introducing the business opportunity, the benefit discussions to the Aboriginal groups, what's also shared during that time is information that's collected from other -- the other Aboriginal groups in terms of -- because often that's a question -- is what are the interests of the other Aboriginal groups. Because one of the concerns is that -- and what tends to happen is the Aboriginal groups all focus on one area or three areas of business development or business services.
30607. So it is through those discussions, and that happens either through presentation or sometimes in a forum like Catherine described.
30608. **MR. JOHN CARRUTHERS:** As well, that was the intention of the business -- the Aboriginal business summits, was to connect Aboriginal peoples with the kind of activity that would be undertaken for a project.
30609. So there's a number of booths setup and people could go speak directly to those employers about what are the opportunities and how they might fit in with those roles.
30610. **MS. CATHERINE PENNINGTON:** I might also add that the community plans are another way that we identify interest as it relates to business. And so the community plans will allow us to have a better understanding and we

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

do work together on those plans with community.

30611. And certainly on the vein of business summits and other innovative business activities, we are looking for those opportunities as early as late 2013, early 2014, to continue on that path of ensuring that we get the best business participation that we can.
30612. So although we're Northern Gateway, Enbridge does have a history, a very effective history of working with Aboriginal communities and Aboriginal business development and certainly Ms. Holder spoke to that earlier. So we do rely on that expertise and that legacy to help us with our planning and engagement.
30613. **MEMBER BATEMAN:** Are these summits in B.C. and in Alberta?
30614. **MS. JAN WHITNEY:** Yes.
30615. **MEMBER BATEMAN:** And you were going to say something further, Ms. Whitney?
30616. **MS. JAN WHITNEY:** Yes. In terms of -- this ties -- this also ties back to the capacity agreements, the MOU agreements, because that's a collective document that's -- where those ongoing discussions are taking place.
30617. And there's a work plan that's within that document so the community has an opportunity to express -- or decide for themselves where they want to focus their activity in terms of the work plan. And that's with business and employment training. It's all tied within that agreement.
30618. **MEMBER BATEMAN:** I'd like to talk a little bit more about Aboriginal people's participation.
30619. What attributes of engagement can Northern Gateway point to that has led to successfully establishing collaborative relationships with some of the Aboriginal groups? What is it that made it work?
30620. **MS. JANET HOLDER:** Interesting question because I don't think we've sort of chunked it down into what we see as attributes. I mean other than -- we've been as open and transparent as we can about the project. We've been provided the opportunity through our protocol agreements, our capacity

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

agreements for communities to work with us and have the dialog with us.

30621. You know, I guess, measures of success in our mind was the fact that 60 percent of the Aboriginal groups did sign an equity agreement.

30622. We have provided funding to Aboriginal groups to actually look at a business case, have -- hire the expertise to look at a business case of -- to determine whether there's -- I'm trying to do this without creating any confidentiality issues.

30623. But we have provided funding to Aboriginal groups so that they could look at a business case to see whether it was the right thing to do to create a business, not just to provide that service to Enbridge or to Northern Gateway but to all pipeline companies or any infrastructure that's happening in the province.

30624. So there's -- we have also provided opportunities for that so to us it's been the result of actual meaningful dialog that is building -- is being built on to create opportunities into the future that's bigger than just the Northern Gateway Project, would be one of our measure of success.

30625. I think the other is just people -- the level of engagement we have with these communities who want to be just part of the Northern Gateway Project.

30626. **MR. JOHN CARRUTHERS:** I think, for me, some of the things that we recognized early on is we've always saw equity as a way to align our interests over the longer term to create a foundation of partnership. And then very early on, recognized that most would not be able to participate in a historical way of -- of people would fund their own portion of the investment.

30627. So we did think of a way to facilitate that through the project so that they -- we would finance their participation and it would be paid back through the project cash flow so there'd be no risk to the communities.

30628. And we also recognize that it would be difficult to take any risk at all during the construction period, so the two aspects were that it would be fully financed by the project and paid out of project revenues and their ownership wouldn't start until the project construction was complete. So that took out all the risk and we saw that as a -- potentially a very strong way to align our interests in the longer term.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

30629. And then, of course, it goes into some of the things we heard and we've just talked about, the business summits where we -- people needed a better understanding. Again, for a full -- the business summits where we invited all industry to come and they set up booths and we would get -- I think, generally, in one case, over, I think, 35 and the other 42 where 35 and 42 communities came and had direct discussions with the contractors about opportunities. So those are the kind of things that we put in place.

30630. We feel very good about the -- well, we started with the capacity funding, as you'd talked about, to make sure that there was funding available to do their assessment, but as well as the very strong -- the Aboriginal traditional knowledge coverage we have on the project would be very unique in terms of the extent of it.

30631. So there's been a number of things that we've done over time, but really, it's early and often engagement, I guess is the key.

30632. **MR. JEFFREY GREEN:** If I could just add, picking up on the theme of traditional land use studies, is where Aboriginal groups were interested in undertaking field work or participating in the field work, it typically, I think, is a way of establishing personal relationships, having direct personal involvement in the studies that supported the effects assessment.

30633. So one, I think, very good example is the Gitxaalas came to Northern Gateway, said that in order to better understand the effects of the project in their traditional territory, they wanted to undertake a three-year study of wildlife. So they're now entering into the third field season this year, and they've been participating and conducting those studies themselves.

30634. As a result of that work, they then got involved in the watercourse tactic -- I always do this wrong -- tactic watercourse plans. So there's now been several meetings where the oil spill response team has been working with the same resource management group to get their information into that planning process.

30635. **MS. JAN WHITNEY:** And if I could just add to that. In terms of what we really did well, I think, is really listened and we learned from the Aboriginal groups. What made a difference was the tangible outcome, something that the Aboriginal community could measure as a result of did they really hear me, did they really listen to what I was saying.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

30636. And specifically in terms of evolution of this project because I'm the oldest here in terms of working on the project, or one of, I guess I'd have to go back -- my example would be in terms of how we conducted open houses, because originally it was much different and then -- because the original houses, we got feedback from the Aboriginal groups indicating that it wasn't working for them.
30637. So we incorporated -- so we would ask them what was not working and the changes that took place during 2008 when the project resumed is we took more of a hands-on whereas the Aboriginal leads would work with the community in terms of we'd hire a coordinator from the community that would put together the Aboriginal open house, would include interpreters. If they wanted someone who spoke Sioux or Cree or the different languages, we'd make that available.
30638. We -- we tailored it towards the Elders where we always ensured we had speakers and people like myself that are soft spoken -- always made sure there was speakers available that could accommodate that. And just the way the presentations were -- there was more mapping or pictorial type of information that was shared.
30639. **MEMBER BATEMAN:** Thank you.
30640. Now, there appears to be other Aboriginal groups who are not engaged or who have withdrawn from Northern Gateway and the project in a collaborative way. I'd like to hear Northern Gateway's perspective of what it is that you think are the stumbling blocks to getting to a position of working collaboratively together.
30641. **MS. JANET HOLDER:** We are currently working on a revised strategy around Aboriginal engagement. We are -- there's a number of things that we're considering that we hope will actually encourage those who are not engaged with us to open dialogue.
30642. I think primarily it goes to senior meetings with senior executives from Gateway, myself, John, potentially senior executives from Enbridge with one-on-one Chief meetings, with the intention of sitting and listening and saying, okay, what is it -- you know, if there's something that we've missed along this process, what do we need to do to open that dialogue. What is it that's missing, from their perspective, to open that dialogue.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

30643. So we're trying to get back to a more original grassroots, sort of let's start -- let's start afresh from a fresh sheet of paper and start moving forward.
30644. From what I know today at this point in time, that will work with a number, I believe, of Aboriginal communities that aren't engaged.
30645. By the way, we will also include those who are engaged, but your question was more specific to those non-engaged.
30646. So there are some that we know that I think will -- that that dialogue will be welcome and would help us moving forward. And in some cases, there are some communities that very much have -- keep telling us, "No, we don't want to talk to you". We have never taken that no as a real no to the point where I know where there's probably some communities that have now said, "What don't you understand about no".
30647. We do continually and we will continually try to move forward. And I think as we talk about the next evolution of Gateway, after we get through this regulatory process, as we talk about the governance of Gateway going forward, you know, we -- there will be an independent Board and the participation of First Nations on that Board will be important to also help straighten out that -- you know, to get that dialogue going, we believe.
30648. The -- I think the benefits package as the -- as we move closer to the timing being real, we can open that dialogue. Clearly through the skills training and development, that dialogue can be opened.
30649. So we do recognize that we have, in some cases, a few communities that are going to take a different approach and we're just trying to work out those details. And that is our intention, to move forward with that as soon as we get off the stand here.
30650. **MS. CATHERINE PENNINGTON:** I might just ---
30651. **MR. JOHN CARRUTHERS:** Sorry; go ahead.
30652. **MS. CATHERINE PENNINGTON:** I might just also offer up that, you know, I think there's a few different stories about Northern Gateway. And we often hear, and I'm sure as you have heard, clearly, certain opinions that come to

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

the forefront.

30653. And I think there are a lot of conversations that happen at a political level sometimes with, as I said earlier, communities that are not yet certain about their stance or have taken a stance that they're not interested in the discussion right now or still deciding where they may land on this particular project.

30654. But we are often, in different ways, engaged with community members that are part of that larger organization or the community. And you know, we talked a little bit about the inclusivity -- or a lot, actually, about the inclusivity of benefits for this project. And I think that's an example of how we keep the portals of communication open.

30655. We have offered, for example, an Aboriginal oil sands tour that was really a community request from a number of communities within central British Columbia, some of whom publicly would have one opinion about the project and some others. And yet we did offer that tour to communities because it was a request.

30656. So as Ms. Holder said, you know, certainly sometimes at a political level a community will make a statement, but we do keep the doors open for communication and exchange of information.

30657. **MR. JOHN CARRUTHERS:** I guess something that might be instructive, if we could pick up some evidence that was filed by the Carrier Sekani, and it's D48-3-6.

--- (A short pause/Courte pause)

30658. **MR. JOHN CARRUTHERS:** So this is the Carrier Sekani. It was their annual meeting.

30659. And if you scroll down a little bit on this page, you'll see Tribal Chief David Luggi would prepare a year-end report. And if we go to page 4 and scroll down to the -- near -- near the bottom, there's questions about the funds that were provided by the Province of British Columbia and then Mr. Luggi talks about -- really goes into suggesting that the Supreme Court's decision in Haida, that Aboriginal groups came to perceive that they're better off doing one-of deals with the proponents and governments on a project-by-project basis.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

30660. They feel it's not in their interests to enter into Land Claim Settlement Agreements because governments are not offering them enough and that formalized project consultation processes would be included in any settlements forcing them to consult and thereby creating a certainty for governments and project developers.

30661. So they believe that, as a result, there'll be a loss of leverage that they can now exercise on a project-by-project basis in -- in arguing veto power over uncertainty that the uncertainty could create for projects.

30662. So I think that kind of goes to their mindset and if we even go a little bit further -- if you could flip over to the next page -- in terms of their consultation with the Province of B.C., Mr. Luggi goes on:

“– Here's what I picture, fake negotiations, keep getting extensions.”

30663. Again, I point to that just to say that there's a lot of a broader perspective in what we're trying to accomplish with what we see in Northern Gateway. So, very much, I see that a decision will need to be made by the Joint Review Panel, but one that facilitates the Project but also goes to outlying the framework that we'll have for ongoing consultation.

30664. And in that, I saw again with a number of commitments that we've made for -- as we go through the detailed design, about participation in -- in those aspects and the monitoring of it.

30665. So I really see there could be that resolution and agreements with them will have to be facilitated by the conclusions of this -- of this process.

30666. I think we may see a change where, once people understand that the Project can go ahead, their approach may change in terms of then seeking out how to be world-class rather than stopping the Project.

30667. So, again, I think that's what we're trying to keep open is the ability to have that discussion once a decision is made that there is a framework for continued engagement going forward on issues that are important to those communities.

30668. **MS. JANET HOLDER:** Just to add, I was talking more specifically

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

around our Aboriginal Engagement Plan, but our total consultation plan on the next phase going forward as we're waiting for a decision will also have an impact on that.

30669. We will be -- continue to be very active on our "join the conversation" type campaign where we're encouraging people -- which would be obviously Aboriginal and non-Aboriginals -- to come in and -- and ask their questions. We will continue with a fairly extensive educational program, the best that we can, to try to offset some of the negative -- actually, in some respects, it's not even an appropriate synopsis of the Project that -- that tends to linger out there through the media and through other means, social media in particular.

30670. So we are going to be very, very active in trying to help de-myth the myths and continue on with the educational programs. So that'll be also a big part of what we will be doing going forward which will also help with the Aboriginal communities, in our mind.

30671. **MR. JOHN CARRUTHERS:** And just to finish off on the minutes, as you read them, it becomes very much there is real issues that they're dealing with in terms of those communities and you just, again, look to think there's a tremendous opportunity to work with Northern Gateway and Northern Gateway working with those communities because a lot of them go to opportunity.

30672. So I think there is potential once people believe that the Project is going to go ahead.

30673. **MEMBER BATEMAN:** We heard last week from Aboriginal groups that their ATK studies, their oral evidence and their written oral -- or their written evidence had not been incorporated into the Project.

30674. If I understood Northern Gateways' reply, it was that the information has, in fact, already been incorporated into Northern Gateway's general analysis.

30675. Why do you think that there has been a disconnect between the understanding of Aboriginal groups and that of Northern Gateway?

--- (A short pause/Courte pause)

30676. **MR. JOHN CARRUTHERS:** I think one thing that we've found generally is that people don't quite understand the process, that they believe that,

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

- once a Joint Review Panel decision is made, that there's no more checks and balances and they don't understand the process for the detailed route design and the leave to open -- for it to go into operation.
30677. So there's quite an extensive review kept up by the National Energy Board, post a decision, and I don't think people quite understood that there was process, there was checks and balances in place to ensure Northern Gateway was meeting the commitments that it had made.
30678. **MR. PAUL ANDERSON:** I'll just add one comment then I'll invite Jeff Green to -- to comment as well.
30679. I think I'd say two things. One is around the timing of filings. At the timing of filing, we did have considerable amounts of ATK information but we have received quite a bit of information post that -- that filing of our original Application. So we incorporated the information that we had at that time and then we've incorporated that information and more in the activities and studies that we've undertaken, you know, post our initial filings.
30680. I think there's also perhaps a lack of understanding that the process that we're talking about, it is this process, and I'm not sure the communities themselves if they -- if they don't read it in our material, they think it won't be considered.
30681. The Joint Review Panel has created what I think is probably the most inclusive process for Aboriginal communities to get on record evidence about their traditional uses of the land and their issues and concerns and it is through this process, through their oral statements, through their written statements, through the host of other ways that they can participate, that they can get that information to be considered by the Joint Review Panel and to be considered in the ultimate environmental assessment, which is the responsibility of the Joint Review Panel to -- to author and, then, a consultation process around that draft environmental assessment and the conditions that -- that might be associated should -- should the Project proceed.
30682. So I think there is also a lack of media understanding of the overall process, not just our own process.
30683. And, Mr. Green, do you have anything to add?

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

30684. **MR. JEFFREY GREEN:** I think one of the challenges that we always encounter as assessors -- and Tracy Campbell, I think actually was asking some questions around this yesterday -- was the difference between issues and concerns and, then, how environmental assessors actually assess effects and communicate those.
30685. And I would say, generally as practitioners, we're not that good at translating the scientific effect back into perhaps common language that then reflects the issue and concern. And that's not just Northern Gateway, I think that's a practice-wide challenge.
30686. And just as an example, the way people would define an issue, the scale of the concern. So quite often, the scale from one community's perspective is very much site-specific and they're looking for site-specific references to effects and also then the significance of that effect and I think there's -- there's quite large differences.
30687. So one example is that, when we make a statement that the effect of a pipeline on the environment as a result of routine operations is not significant, I think, to some people, they say: Well, how can that be because there's this large right-of-way, you've removed habitat, animals could be killed as a result of construction or, you know, so the individual animals, small groups of plants are affected and there's a real effect that people can see on the ground and it's that scientists look at from a population perspective, not an individual animal or individual group of plants.
30688. And so I think there's some communication issues that aren't translated very well.
30689. And I think it's hard enough for routine effects. When we move it into the oil spill spectrum, especially for this Project -- and I think where it really was highlighted for me throughout these proceedings is the marine oil spill effects that I think, for many people, it's unbelievable to -- for Northern Gateway to say that the effects are adverse and in only some cases can they be significant because people tend to, I think, look at examples like Exxon Valdez and take that as the example of what's going to occur. And that's not always the case. I think we've presented a great deal of information.
30690. And there, it's scale, time and, again, this challenge of the difference between effects on individual species and -- or rather, individual animals and

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

- groups. So if a bird is oiled, clearly, there's a severe effect on that bird, but we what we ask a scientist is: Is the number of birds affected going to affect the population?
30691. So I think there's just some basic ways that scientists approach things versus the way the public perceives things. And I would say it's not just Aboriginal people that see it this way, it's also the general public.
30692. **MS. CATHERINE PENNINGTON:** Perhaps that's one of our opportunities, though.
30693. And I think we recognize that, that we have this great opportunity to continue the dialogue and that it won't, as has been really clearly stated, stop after this process.
30694. So all -- to everything that Mr. Green said, certainly, you know, through Aboriginal public consultation, we have an opportunity and we're committed to that dialogue.
30695. **MEMBER BATEMAN:** I'd like to probe just a little further before moving on.
30696. I was struck when I heard the Gitxaala and the Haida identify their evidence and pursuing questions and seeking to understand where that had been taken into account.
30697. What I believe I have heard is that it is an ongoing process and there are opportunities to incorporate. There's the scientific language and trying to have people on the same page.
30698. But where on the record does it set out and demonstrate that the information that had been put forward, at least by these two groups, had been incorporated?
- (A short pause/Courte pause)
30699. **MR. JEFFREY GREEN:** I'll begin the first response and then others will contribute.
30700. In the case of the Gitxaala Traditional Land Use Study, as an example,

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

- the timing that we received that, we already had completed the environmental assessment, we had completed the human health risk assessment and there were not a lot of opportunities in terms of technical work that we're doing to pick up that information and utilize it in a demonstrable way as we did, for example, with the Michel First Nation and showing how we integrated their information directly into the pipeline human health risk assessment, which was conducted at a later date.
30701. But I think it's fair to say that what we did do when we received studies from the Gitxaala and the Haida was that they are rich data sources. We did compare our notes with assumptions about use of resources and different areas with what we had made assumptions about and, in general, I'd say they were in compliance.
30702. In going forward, where I think the information becomes increasingly important, as we've said earlier in these proceedings, is validating and updating the environmental sensitivity atlases will be an important aspect.
30703. The data layers that underlay those are -- there's a strong environmental layer, there's a very strong traditional use layer which then inform the geographic response plans and other initiatives.
30704. Similarly, the selection of the focal groups for the Marine Environmental Effects Monitoring Program and the locations where we might undertake that monitoring would be well informed by these Traditional Land Use Studies because, clearly, there would be a desire to have not only the species that are of importance but also the areas that are of importance for harvesting reflected in the selection of specific sample sites.
30705. Those are just a couple of examples.
30706. **MR. JOHN CARRUTHERS:** When I heard that, I guess I was thinking there was a lot of information that would be very valuable as we progress the Project and very valuable in the dialogue with them. And that, to me, was the opportunity to develop that framework jointly.
30707. Again, some parties have taken the position they don't want the Project to go ahead for whatever reasons. It could be because they oppose oil sands, it could be because they're very worried about a marine spill; and very genuinely worried without knowing, potentially, what all the plans we are to drive a spill to

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

as low as possible and then respond very quickly and efficiently.

30708. So I think there's an education component where we need to work with those groups talking -- somehow there's a forum, and potentially it's partly the decision of the Joint Review Panel if they have confidence of those plans and a demonstration of that. I think the dialogue can go forward.

30709. And all the framework like the environmental monitoring programs we've got, as Mr. Green talked about, the sensitivity atlases. But there's the community response plans, the geographic response plans from a marine perspective and then the participation of the Fishing Liaison Committee.

30710. On the pipeline side, there's a number of similar studies where you want to further study caribou and grizzly, et cetera.

30711. So I think there's a real opportunity to work with the groups and they need some of that information.

30712. And I actually think some of the information will come from independent sources, and you've seen the Province of British Columbia and the federal government as recently as today announce initiatives to address a key concern that people had, and that's the potential for a spill.

30713. So I think if people have confidence not just from what we're doing, but from independent sources, we can set that framework and dialogue if a positive decision is made to take into account all the information that they've prepared and give them more confidence.

30714. **MEMBER BATEMAN:** I'd like to change the tack for a moment and talk about cultural fluency.

30715. Could you provide me with just a very high level picture of what type of internal training occurs at Northern Gateway of its workers -- particularly its executives -- to have a thorough understanding of Aboriginal people culture, the cultural fluency of how there may be differences in perceptions, how trust is built, how communication occurs?

30716. **MS. JANET HOLDER:** We have, as part of the team, a Vice-President of Aboriginal Relations and that is his expertise and he would be the person I sat down with for quite a period of time when I first joined the team.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

30717. I know he spent a lot of time with pretty much everybody on this Panel. In some cases, some of the people on this Panel actually do work for him. So between our Vice-President, who that is his expertise, and the team that he has below him, which you will see a number of them here in the room, we rely on them to give us that education and help us understand.
30718. And again, because it's not -- I don't think it's -- it's a -- there's an answer that fits all. I think each Nation has their own uniqueness and we're -- before we go into a community, we're usually well-versed on who that community is, what their interests are, what their governance is, what their basic cultures are.
30719. And I think the other thing is, you know, it's -- even for those who have been on this project for 10 years, unless that is your own culture, it's very difficult to understand all aspects of it. And we'd never, ever pre-conceived that - - or will never lead anybody to even believe that we truly understand what their culture is and how -- what -- how this project will impact upon every aspect of their culture.
30720. We can't do that but we do have the expertise internal to Northern Gateway to help us understand that and then we would rely on a number of individuals that you'll see here behind me and beside me.
30721. **MR. JOHN CARRUTHERS:** I could add, from my perspective, initially, you -- there was some training that was required to --- in terms of Aboriginal sensitivity and there would be some formal learning that you'd go through.
30722. Then, I don't think I was ever on the right-of-way without -- especially in the early days with Ms. -- without Ms. Whitney.
30723. So again, to the extent you've got some formal education, you've got the practical application of the participation of those who are around you who are very familiar with it and then, of course, you do learn from the communities themselves.
30724. As you engage with them, you're continuing to learn about their -- things that they find important and you don't know it -- I mean, we don't know it all and we always do learn but it's generally through the engagement of those communities themselves, that you learn the most.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

30725. **MS. JAN WHITNEY:** And if I could just add to that, in the early days-- and I think this is very admirable of Enbridge or Northern Gateway because in the early days -- I'm going way back -- we recognized that there was a difference; we, as First Nations people -- Aboriginal people.
30726. So we saw -- like it's part of our role and Enbridge is smart enough to hire Aboriginal people and we would introduce -- like John said, there were specific cultural sensitivity events that took place: one out here in the West Coast where we arranged with a local community to have a workshop where John was present. There were other executives that were present from Enbridge.
30727. Prior to that, we did an event in Alberta where we met the community. We brought them in at the community level and introduced them to one of the key communities along the right-of-way and the Elder was present.
30728. There was actually a naming ceremony for this executive that attended and specific to the Project and from a cultural, spiritual sense, we -- that was really important to the First Nations in Alberta so that those doors could be open to have those dialogues. So there was a ceremony prior to that that took place.
30729. So Enbridge was introduced that way and, ongoing, like Janet said -- I mean Ms. Holder and Mr. Carruthers -- it's an ongoing process where we continually teach and we -- and when we're out in communities, we totally prep them for the meeting.
30730. Janet and I attended a pow-wow this summer. So I think getting involved with the community and the community events is really important. So the learning is definitely there and it's ongoing.
30731. **MR. JOHN CARRUTHERS:** Some of the most memorable experiences we would have had would have been participating in a sweat in Alberta.
30732. And then in going out on the Coast, we went to the villages on Haida and, again, we would have spent the night before meeting with the people to understand their culture.
30733. They would have talked about things that are important to them. A very interesting evening and then the next day we spent about four and a half

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

hours listening to concerns about the Project.

30734. But the first day was just eating with them and getting to know them and they put on an excellent feast and that was replicated again in Hartley Bay for the Gitga'at and Kitkatla for the Gitxaala.

30735. So, again, you go to these and, in each case, they had a feast which was very memorable, very interesting and we learned a lot from those meetings where you're just talking to the people in an informal process but then also hearing from them in the formal program where they ask questions.

30736. **MEMBER BATEMAN:** To create overall success in your employment programs in relation to the recruitment, retention and advancement of Aboriginal employees, to what extent are there cultural differences and how will you take these into consideration?

--- (A short pause/Courte pause)

30737. **MEMBER BATEMAN:** Perhaps as an example to give you, a touch point, language could be an issue. Perception of time could be an issue. There are others that are just simply a part of a cultural perspective.

30738. **MS. JANET HOLDER:** Okay. Go ahead. You probably have better thoughts than me.

30739. **MS. CATHERINE PENNINGTON:** Well, I'll maybe start with a few thoughts and it is, you know, a great question and really philosophical.

30740. I guess I -- when I look at some of the modelling that we can build off that Enbridge has incorporated as a full-time diversity manager to not only look at Aboriginal inclusion in the work place but other diversity in the work place and I think that speaks a lot about the company's commitment to being very sensitive to diversity; and so that's definitely one of the first things that comes to mind.

30741. We also, as I spoke earlier, do have construction liaisons on the construction side, which we see as really critical. Often, that liaison can be the sounding board, can be the communication expert between the two groups to manage some of the challenges that may come up.

30742. I guess I think about -- again, we have a very strong Aboriginal

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

relations team that I think we are responsible for guiding Northern Gateway and its operations and mostly just getting back to listening and good community planning.

30743. **MR. JOHN CARRUTHERS:** From an experience point of view, in lots of ways, I don't see any difference in terms of we have a strong contingent of Aboriginal peoples on the Northern Gateway team and it seems to be -- it doesn't require anything different per se, except we have to listen a little bit harder to hear Ms. Whitney.

--- (Laughter/Rires)

30744. **MR. JOHN CARRUTHERS:** And I think -- so on a practical basis, I haven't seen much.

30745. I know, in some cases, would have to look at, for people to exercise their traditional way of life, there may be compromises that you need to do in terms of timing and things. So I appreciate that that's been a consideration where there could be times where there's hunting or berry-picking and that but I think it's not inconsistent with all of us trying to balance our work interest schedule.

30746. So companies have been generally accommodating in how you -- the time off that you can have, obviously, within some framework but ...

30747. **MS. JAN WHITNEY:** If I could just add to that, I think it's key having an Aboriginal Vice-President, Aboriginal relations person there who understands the culture because some of their -- there are some differences in terms of how we operate in a corporate setting versus in our communities; and definitely time is one of them, death is very significant in our communities.

30748. So taking time off is very important and having a Vice-President or manager -- I mean, Vice-President that understands that, that it's -- it is significant. And there -- because often there is a clash between community timing and corporate timing because, in corporate, it's very driven by deadlines. So there is recognition within.

30749. **MS. CATHERINE PENNINGTON:** And from a -- I guess an example of some of the initiatives that we're undertaking to really, I think, address some of these potential challenges or things that have been challenges in other projects for other companies, we've had community come to us and say:

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

We're really interested in essential skills training but we want it to be really inclusive of what camp life is really like so that individuals that are going through a training program get to experience that in advance.

30750. And so we have partnered with North American Construction Group and NATE in Northern Alberta and some communities in designing a program that would incorporate the actual experience of living in camps; so trying to put in place in advance around the experiences around essential skills so that we can combat, in advance, any challenges.

30751. So it's just a tangible example that I think also speaks to the commitment.

30752. **MEMBER BATEMAN:** And before we break for lunch, one last question.

30753. You have indicated that Enbridge has had a success factor in excess of 15 percent of the workforce being of an Aboriginal background. I'd like you to separate the executive from those who are providing a labour role and give us an indication of what has been the retention rate.

30754. **MS. JANET HOLDER:** And so we're talking about retention rate in the -- those were construction projects that -- which have started and ended. So...

30755. **MEMBER BATEMAN:** Or perhaps are underway.

30756. **MS. JANET HOLDER:** Okay, we can ---

30757. **MEMBER BATEMAN:** So that they would separate from this particular proposal, obviously.

30758. **MS. JANET HOLDER:** Right. Yes, yeah.

30759. Okay, we will undertake to see what we can determine. Again, they may -- I'm hoping we have the information because a lot of times they're working for other contractors who are now on other jobs who may not even be on Enbridge jobs, per se.

30760. But let's -- we will endeavour to find out what we can.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

30761. **MEMBER BATEMAN:** So those would be my questions for this moment.

30762. **THE CHAIRPERSON:** Can we have an undertaking number for that, please, Ms. Gilbert?

30763. **THE REGULATORY OFFICER:** U-76

--- UNDERTAKING NO./ENGAGEMENT No. U-76:

By Enbridge to provide information on the retention percentage of Aboriginal employees who work for Enbridge Northern Gateway.

30764. **THE CHAIRPERSON:** I just want to confirm with the witnesses that they're clear on the undertaking.

30765. Could your repeat it back for us so that we can all make sure we're understanding it clearly?

30766. **MS. JANET HOLDER:** My understanding is, on the projects where we have had 15 percent Aboriginal participation, that we will endeavour to determine what the retention has been of those individuals in other projects.

30767. **MEMBER BATEMAN:** The only clarification I would make is it's not related to 15 percent because my understanding is that other projects have had higher numbers.

30768. So whatever that percentage is, what has been the retention rate?

30769. **MS. JANET HOLDER:** Yes.

30770. I just want to make one clarification -- not clarification, I just want to add, one of the areas where we do struggle with is we cannot demand people declare their heritage. So there are -- especially in management, there are a number of individuals who work for us who've never declared their heritage, so we don't always have the 100 percent of the picture because we can't ask that question.

30771. So unless somebody self-declares is the only way we have that information.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

30772. **MEMBER BATEMAN:** Understood.

30773. And the undertaking is in relation to the executive and then a separate group would be those who are providing a labour role.

30774. **THE CHAIRPERSON:** All right, sounds like we've got the clarity on that. Thank you very much.

30775. Let's break for lunch now and come back for five after 1:00, please. Thank you.

--- Upon recessing at 12:03 p.m./L'audience est suspendue à 12h03

--- Upon resuming at 1:09 p.m./L'audience est reprise à 13h09

30776. **THE CHAIRPERSON:** Good afternoon.

30777. Are there any preliminary matters that parties wish to raise?

30778. Seeing none, Mr. Bateman, please continue with your questions.

JANET HOLDER: Resumed

PAUL ANDERSON: Resumed

JOHN CARRUTHERS: Resumed

RAY DOERING: Resumed

JEFFREY GREEN: Resumed

CATHERINE PENNINGTON: Resumed

MICHELE PERRET: Resumed

JAN WHITNEY: Resumed

JEFF PAETZ: Resumed

--- **EXAMINATION BY/INTERROGATOIRE PAR MEMBER BATEMAN:**
(Continued/Suite)

30779. **MEMBER BATEMAN:** Continuing on with respect to some of the projections that are in place, one being the 15 percent target for employment, what is Northern Gateway's strategy in the event that the 15 percent is not met?

30780. **MS. JANET HOLDER:** I don't think we have a strategy because I think the strategy is to get the highest percentage we can and if that strategy

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

doesn't deliver the 15 -- you know, I think that strategy will deliver the 15 percent and then more.

30781. Again, it really does depend on the engagement of the Aboriginal communities. I think it also depends on what else is happening in the marketplace at the time. So, I mean, there is a lot of activity happening, in particular northern B.C. planned and so there -- I would like to believe we're not going to be the only project that is actually endeavouring to meet these sort of targets, though I do think we have taken a much more aggressive stance than other projects in B.C. have.

30782. So I think there's some things at play but our strategy is to do everything possible to ensure that the skills are there, the -- understand the opportunities and working with the unions, as well as the contractors, to encourage them through their contracts, to ensure that they have their targets and their contracts.

30783. So I think it's the same strategy. I don't -- we have not thought about not hitting a target. We don't usually go there.

30784. **MEMBER BATEMAN:** Thank you.

30785. I'd like to talk about the equity program. Last week, if I understood correctly, Northern Gateway, in its evidence, stated that equity offers to the coastal Aboriginal groups have not been finalized. Did I understand that correctly?

30786. **MS. JANET HOLDER:** Yes. A few of the Aboriginal -- the Aboriginal groups on the coast have seen the equity package but we had not finalized it, you know, to the same extent we did with terrestrial where we would go out with a set time, sort of validate who is -- who would qualify, set out the timelines for sign up.

30787. And likely we'll do something similar we did to the last equity offering to the terrestrial. And that is that we would have two signups, an early signup and a second signup. That has not been finalized.

30788. **MEMBER BATEMAN:** Do you have a sense as to when you expect to roll that out?

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

30789. **MS. JANET HOLDER:** Yeah. We -- it's going to be part of our dialogue with these communities as we move out of this -- after we move out of this hearing and into the next phase of our evolution. And so it's, in part, going to be driven by their interest, not just by us saying when.

30790. So when we go out and re-engage with the coastal First Nations, these are the nations on the coast, we will have their input into what they think is the ideal timing on this.

30791. **MR. JOHN CARRUTHERS:** Generally their position has been it's too early. So as Ms. Holder talked about, we'll have to work with them because we actually do see it as a good way to align our long-term interests. So we do want it to be effective.

30792. **MEMBER BATEMAN:** I have a few questions with respect to the equity participation program that has already occurred. I'd like to make a distinction between the reasoning for the offering and then the criteria for the offering. So my first question is what was the reason for offering equity participation to Aboriginal groups?

30793. **MR. JOHN CARRUTHERS:** We were trying to build a foundation mechanism for the long-term to align our interests.

30794. **MEMBER BATEMAN:** And what was the criterion for offering equity participation to Aboriginal groups?

30795. **MR. JOHN CARRUTHERS:** Well, the criteria was outlined in the - - I'll just find it here. I think it's B24-2, Adobe 42, in terms of the criteria for Alberta and British Columbia.

30796. **MEMBER BATEMAN:** And there is no further criterion than being in a physical proximity, having an interest?

30797. **MR. JOHN CARRUTHERS:** No, when we get to the component where an offer had been made, it really went to try and align ourselves with the most substantive neighbour, so a practical way to create value.

30798. So we had the criteria we set there but certainly the objective was to align ourselves with our most substantial neighbours and there was a practical limit to who could get it because we had 10 percent to work with and we wanted

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

it to be meaningful to those who were our closest neighbours.

30799. **MEMBER BATEMAN:** Were there any Aboriginal groups living within the engagement area that Northern Gateway did not consult with, with respect to equity participation?

--- (A short pause/Courte pause)

30800. **MR. JOHN CARRUTHERS:** Yes, everyone who was in the engagement corridor had been included pursuant to that criteria. In British Columbia, as we've mentioned, we didn't crystallize the coastal component.

30801. **MEMBER BATEMAN:** Was the offer of equity participation to Aboriginal groups made orally, in writing, or both?

30802. **MR. JOHN CARRUTHERS:** There had been discussions previously. We started those discussions at the end of 2010, but ultimately there was a formal package delivered to the Alberta communities.

30803. **MEMBER BATEMAN:** Is my understanding correctly ---

30804. **MR. JOHN CARRUTHERS:** Sorry, and I should say, and B.C. I was just -- I'm just careful about the differentiation between the coastal and the terrestrial.

30805. **MEMBER BATEMAN:** Right. And all of my questions, at this point, do not include the coastal, which is a yet to occur event.

30806. In the Undertaking 73, my understanding is that the last Aboriginal equity package was offered on October the 4th of 2011; is that correct?

30807. **MR. JOHN CARRUTHERS:** Yes.

30808. **MEMBER BATEMAN:** So is it accurate for me to summarize the inclusion and by extension, exclusion, of Aboriginal participation in the equity program as follows; one, if Northern Gateway made an offer of equity participation to an Aboriginal group prior to October 4th, 2011, the offer of participation stood until May of 2012, at which time the offer came to an end?

30809. **MR. JOHN CARRUTHERS:** The other key component was

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

determination of those who would be eligible. So we had committed that 10 percent of the equity would go to Aboriginal groups. And to do that we had to determine an eligibility and that eligibility was finalized closer to the end of 2010 such that we could go out with formal offers. So really the eligibility criteria went from that period, from the later 2010, not in 2011.

30810. **MEMBER BATEMAN:** Right. But unless you had been made an offer at the outside date of October 4th of 2011, then you were not participating?

30811. **MR. JOHN CARRUTHERS:** Correct.

30812. **MEMBER BATEMAN:** Two; Northern Gateway did not make an offer of an equity participation to an Aboriginal group -- pardon me. If Northern Gateway did not make an offer of equity participation to an Aboriginal group prior to October 4th of 2011, there never was an opportunity for that Aboriginal group to participate in the equity participation program?

30813. **MR. JOHN CARRUTHERS:** Correct.

30814. **MEMBER BATEMAN:** Were the May 2012 deadlines for acceptance of equity participation communicated to the participant groups at the time offers were made or was the deadline communicated at a later point?

--- (A short pause/Courte pause)

30815. **MR. JOHN CARRUTHERS:** The dates were established when the equity offerings were made. So they were all embedded in those, and that would have been part of the discussion we would have had with those communities.

30816. **MEMBER BATEMAN:** Ultimately formalized in the written package when it was delivered?

30817. **MR. JOHN CARRUTHERS:** Yes.

30818. **MEMBER BATEMAN:** Did Northern Gateway, in all instances, communicate the program and ultimately its formal invitation or was an aspect of that handled by Enbridge?

30819. **MR. JOHN CARRUTHERS:** There would not have been an Enbridge component. It would have been all Northern Gateway.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

30820. **MEMBER BATEMAN:** Do the funding partners have input into the decision to establish a deadline for equity participation?
30821. **MR. JOHN CARRUTHERS:** The funding participants had participation in the determination of the 10 percent but not in the execution of the offer.
30822. **MEMBER BATEMAN:** What impact does Northern Gateway anticipate its equity participation program will have on its short-term and its long-term relationship with all Aboriginal groups?
30823. **MR. JOHN CARRUTHERS:** So for all of those who are participants, there will be a very good impact for both the short and long-term. So they'll be annual cash that is derived from their participation and that'll extend for 30 years.
30824. So we do see a strong alignment over the short and longer term.
30825. **MEMBER BATEMAN:** That's with those who are participating.
30826. My intent by including all Aboriginal groups are those who are not.
30827. **MR. JOHN CARRUTHERS:** So, again, I think that aspect would need to go to the opportunities that we have with respect to employment and procurement and -- and other opportunities.
30828. Again, we had to determine -- for a number of reasons, part of it is you do need to know who your partners are as you go into the project development and we had to firm that up.
30829. So there will be communities that probably wish they would have become equity partners but, again, we still see engagement with those communities on other opportunities for them broader than equity.
30830. **MEMBER BATEMAN:** And can you refresh my memory, how many communities will not be participating?

--- (A short pause/Courte pause)

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Member Bateman**

30831. **MR. JOHN CARRUTHERS:** In Alberta, we would have offered 18, and 15 participated.

30832. In British Columbia, it ...

--- (A short pause/Courte pause)

30833. **MR. JOHN CARRUTHERS:** So in British Columbia, there would have been 11 accepted and 11 not accepted.

30834. **MEMBER BATEMAN:** And have any of these parties returned to Northern Gateway asking that the offer be re-instated?

--- (A short pause/Courte pause)

30835. **MS. JANET HOLDER:** Yes.

30836. And I just want to check Mr. Carruthers' math. I think he -- out of 22 -- no, he was right. Sorry.

--- (Laughter/Rires)

30837. **MS. JANET HOLDER:** Never challenge the ...

--- (Laughter/Rires)

30838. **MEMBER BATEMAN:** I'm not sure I heard the answer to my last question.

--- (A short pause/Courte pause)

30839. **MS. JANET HOLDER:** So the answer to your last question: Did any -- have any of those who have not signed asked for more?

30840. There was one Nation that had signed but signed too late for the early sign-up and they asked to have more. So there has been Nations that have asked for more but not from those who have none. If that's clear.

30841. **MEMBER BATEMAN:** It is clear.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by the Chairperson**

30842. Thank you to the Panel for your testimony.

--- (A short pause/Courte pause)

--- **EXAMINATION BY/INTERROGATOIRE PAR THE CHAIRPERSON:**

30843. **THE CHAIRPERSON:** Good afternoon.

30844. Just as a follow-up to that discussion, I had previously in my notes from the 14th of March that, in B.C., 27 packages were offered and 11 were signed.

30845. I don't want to get into a challenge of math skills between -- between two corporate executives but I just want to be clear that the record speaks clearly.

30846. **MS. JANET HOLDER:** So I was working your math. Sorry.

30847. I was working your math.

30848. **THE CHAIRPERSON:** One at a time, please!

--- (Laughter/Rires)

30849. **MS. JANET HOLDER:** Of those -- of those 27 offered, I had indicated earlier that we had presented to some Coastal First Nations the equity package though we didn't crystallize that. In that 27, 5 would have seen the equity offering.

30850. But those have since been not crystallized into a total plan yet. So that still has to come.

30851. **THE CHAIRPERSON:** Thank you for clarifying that for us.

30852. Ms. Pennington, I had a couple of questions for you.

30853. We've heard a lot about the -- more than a million dollars has been invested in skills development since 2006 and I know in the update we've heard some of the aspects of things that have been done but I'm interested in your and anybody else's perspective on the Panel as to your -- your perspective on the

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by the Chairperson**

value that's been created on what Gateway -- how Northern Gateway perceives this investment to have been received and how that's guided you in future decisions about investments in skills and training?

--- (A short pause/Courte pause)

30854. **MS. CATHERINE PENNINGTON:** So I'll -- I'll try to answer that and, then, I'm sure my colleagues here will have some thoughts on it as well.

30855. But I think, you know, early on in this process, we recognized that we -- in order for communities to work with us as partners and in order to reach the targets and commitments that we had set out, we really needed to have mechanisms to help them achieve that.

30856. And -- and in the first few years, reflecting on the work that was done, some specific examples would be an investment in the Kitimat Valley Institute for three years on essential skills training. There was -- there was investments that were made very early on that I think shaped our program and our philosophy.

30857. And so in -- in 2011, when we re-designed the program and established the education and training fund, it was really based on what we had heard from communities and what we had learnt from, I think, our experience being in the field.

30858. And I guess I'm thinking about not -- I don't want to repeat myself too much, but I -- I guess I just can't emphasize enough the importance that that of -- of working with the community and of listening and, you know, we were told, as I stated earlier, really clearly from the beginning not to make this a complicated process, to make it a simple straight forward process that would take into the account the unique and individual needs of communities, be that Aboriginal or non. And so I think that guides or it's been a foundation on guiding principle.

30859. We've also heard really clearly driven the need for community-based training, for a focus on youth, for a continued focus on trades and technology; and again, you know, the connection of -- of business and development working with employers who want to be employees. So -- and those that want to be employees.

30860. So I think, you know, bridging a lot of the concerns back into our program and then, you know, being really responsive to what we heard.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by the Chairperson**

30861. **MS. JANET HOLDER:** Just to add, I think one of the things we keep talking about the million dollars that we've spent and the 3 million that we're committing from Northern Gateway, the Proponents of this Project being our funding partners and Enbridge also spend a great deal of time and effort around education, skills development and training as well.
30862. So it's -- it's just not the dollars that we are putting forward, I think it is the dollars that all the Proponents are putting forward into -- in this area. And I know for a fact I can speak for Enbridge, they have a fairly aggressive CSR program that does include a -- a big part of on education and that would also include Aboriginal education.
30863. **MS. CATHERINE PENNINGTON:** I have worked for other companies, for other corporations since I left practice in social work and, you know, I've yet to work with -- with a company that was willing to make a significant capital investment before approval. And I think that really speaks to Enbridge Northern Gateway's commitment and Enbridge's commitment to enhancing workforce and being responsive.
30864. We have a critical challenge in the Province of Alberta and British Columbia over the next few years, not only for the pipeline construction but for mining and other capital projects. And I think we recognized early that we need to be a part of that solution, that we can work together with industry, other industry and community and service providers to be a part of that. We can't be that independently but we can work towards the solution collectively.
30865. **THE CHAIRPERSON:** One of the things I'm seeking to understand is when you've made this initial \$1 million investment since 2006, do you have metrics in place that allow you to measure if you're getting the outcomes that you're looking for out of your investments? And if so can you help us understand what they are?

--- (A short pause/Courte pause)

30866. **MS. CATHERINE PENNINGTON:** So I guess I'm instantly moved to -- about some examples. And so I guess before I get to the examples the metrics to me are anecdotal and they're also, I guess, evidence based, right? And so we have stories that I've referenced, the supporting of community investment and organizations that we think do really great work and I think as they grow and develop they certainly track the outcomes. So we do rely heavily on the

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by the Chairperson**

organizations that we invest in.

30867. But I can think about -- you know, I mentioned this week that our program, in the last year and a half, has impacted over 500 people. And that could be through, certainly, the Aboriginal youth leadership hockey camp, that could be from the 12 individuals that I know that just finished up a construction craft worker program in Northern Alberta that are being deployed to work this week.
30868. I can think about the 18 individuals that have had an impact and opportunity through the Trade Winds to Success program; I can think about the 100 people that are going to be impacted from the Lakes District Aboriginal Training to Employment Society.
30869. So we do keep information on file of the impacts to date and where we hope that we're going to go but we do depend heavily on the organizations that we make investments into as well.
30870. **THE CHAIRPERSON:** So I've heard you speak earlier about the tremendous workforce requirements that are going to need to be in place in Alberta and B.C. and what I'm trying to better understand is, has Northern Gateway been proactive in establishing what those needs are and in figuring out what steps you need to take to be at the place where there's a reasonable opportunity for those workforce requirements to be met in the communities that you're seeking to have them met?
30871. And that's where I was getting to on the metrics. I'm just trying to understand, you know, is there a plan that's being exercised and that you're measuring your success? And I would suggest maybe using metrics but maybe you've got another way of measuring that, that you know is going to put you on the path to success in a very concrete way.
30872. **MS. CATHERINE PENNINGTON:** So there's -- I guess there's a couple pieces to that and I'll try to weave them together.
30873. We certainly have spent a lot of time with the contracting community, and my colleague Tom Fiddler would have spoken about that in Prince George, breaking down the numbers per spread, per occupation or occupation family. So we have a general understanding per spread of what the workforce requirements will be and that is something that occurs and will continue to be an iterative

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by the Chairperson**

- process. So that helps us better understand where the employment opportunities are.
30874. We do have community plans that we do work with communities on developing and those plans are an individual plan depending on the community because each community will be different. The demographics, the population, the interest, there's a whole host of items that will change at the community level. So that's one of the other steps that we take.
30875. Working with the community colleges is really important as well because they will often be in touch with other industrial projects in the area and also have a timeline or an understanding of what is to come.
30876. Thinking about, you know, the community of Fort St. James strikes me as a perfect example. In 2009 and 2010, when the application was submitted for this project, that community saw some significant changes. It was really impacted significantly by the forest industry and since that time has seen tremendous opportunity with mining.
30877. So things change at the community level. It will depend very much on what's happening in the economy at that time. So we do have to be responsive and nimble in managing some of the workforce demands. But clearly the community plans, working with the contractors, and really, I think, the skills and business database will also be one of the tools that will really help us to link the regional skills back to the contractors.
30878. **MR. JOHN CARRUTHERS:** From an Enbridge perspective there is a thorough forecasting process they go through in looking at the future development and the workforce requirements and where that would go in contractors and workforce.
30879. So there is a component that looks at the broad picture in terms of what's the required workforce for the anticipated activity going forward.
30880. **MS. JANET HOLDER:** And then just to add to that, that information we feed into contractors. The contractors themselves then work very closely with unions to try to figure out how they can best manage workforce all across Canada and North America.
30881. So we sort of feed into a process that keeps getting broader and

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by the Chairperson**

broader and broader so that those who really are doing the hiring and need the feet on the ground have a very good picture of what all the activities are for the type of services that they will be providing.

30882. And that would include -- in some cases may even involve the activity of mining in northern British Columbia as having a draw on certain types of resources. It definitely would include all the different pipeline projects in British Columbia, Alberta and across Canada.

30883. **MS. CATHERINE PENNINGTON:** And I guess that's why we work so closely with other organizations, other industrial corporations, with unions, with contractors so that we have a good understanding of what their plans are and what are the transferable skills that we might be able to work together to build and then to effectively use for the long-term.

30884. **THE CHAIRPERSON:** Thank you very much for that.

30885. Ms. Holder and Mr. Carruthers, how do you know that you have the right amount of money invested in skills and training program that will allow you to be able to have the workforce that you're needing to rely on should the project be approved? How do you know what the right number is?

30886. **MS. JANET HOLDER:** To date we've been taking that -- our cues from basically the -- Ms. Pennington and her team on what is required out there. Ms. Pennington works very closely with the other people you've heard on the panels who are working with the unions around the skills, the types of jobs.

30887. So it really does come from internally. And I think as I, you know, if we're finding that's not sufficient then we would invest even further in this area.

30888. **THE CHAIRPERSON:** I think that brings me back around to how will you know if it's sufficient or not? I'm just interested again in the metrics piece.

30889. I'm not an engineer, I'm not trying to sound like one but, you know, there's the adage of what gets measured gets done.

30890. **MR. JOHN CARRUTHERS:** So I'm not sure I'm going to get quite there but from a broad perspective we understand the requirements to build Northern Gateway and we understand the competing sources for that expertise so

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by the Chairperson**

we'll do a forecast of what's required and then what's available.

30891. So we understand the pool that's available, we understand the forecast. And a lot of that is built on our history of working in the sector obviously, and the programs that we've had in place and we've had a significant capital program, Enbridge has, over the past few years.

30892. So we have very good statistics in terms of what's required and then we keep modelling that to make sure that -- does the expected workforce -- can we manage the planned activities within that expected workforce.

30893. So that's something we're always looking at to see if it -- if that's in balance. And that, as Ms. Holder's said, that's done jointly with the contractors and the unions to make sure that we're prepared.

30894. **THE CHAIRPERSON:** So I just want to understand this clearly.

30895. So that's done through Enbridge; is that correct? And -- sorry, I'll let you answer that.

30896. **MR. JOHN CARRUTHERS:** Yeah, sorry. Yes, Enbridge has that program where they look at and then they risk weight the different projects to -- you know, and their timing to try and manage that because both exact number of projects and their timing's not certain but you try and look forward to see what could be expected or possible.

30897. **THE CHAIRPERSON:** So has Northern Gateway adopted that system and that's what you're using for your project planning going forward? Is that my understanding?

30898. **MS. JANET HOLDER:** Actually, I think we're at part of that process. For us to do that on our own we have much limited view into the world than Enbridge does and the contractors that work for Enbridge today and the unions that work with Enbridge.

30899. So we are ensuring ourselves that we're part of that Enbridge process and that Gateway is considered in that overall planning.

30900. **THE CHAIRPERSON:** And then with the benefit of that information, you, as Northern Gateway, make the decisions about the investments

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by the Chairperson**

that you believe are appropriate in say, areas of skills and training? Have I -- and -- is that ---

30901. **MS. JANET HOLDER:** Yes, that's -- yes.

30902. **THE CHAIRPERSON:** --- would that be a good summary?

30903. **MS. JANET HOLDER:** Yes.

30904. **THE CHAIRPERSON:** Okay. Thank you.

30905. **MS. JANET HOLDER:** And as I said, Enbridge is also doing similar investments as well on their side which also will benefit Northern Gateway.

30906. **THE CHAIRPERSON:** Thank you very much.

30907. Ms. Pennington, you talked about the northern colleges and universities, and you mentioned that you had shared interests and values in education. I was wondering if you could speak to what's working in your -- in Northern Gateway's relationships with northern colleges and universities and also what isn't. What needs to be still continued to be worked on as you move forward?

--- (A short pause/Courte pause)

30908. **MS. CATHERINE PENNINGTON:** I was conversing with some of my team who work closely with me on skills and training. Their input is really important to us.

30909. So I guess the -- you know, in thinking about what works well, I -- given that I think we do have obviously, a set of -- you know, a shared interest in outcomes around education, we also have a shared interest in outcomes of jobs and employment. Especially at the local college level, a lot of the programs are focused on employment outcomes.

30910. And so we feel that what's worked well is we can often link employers with an employment demand from the sector -- the pipeline and construction sector, to the local colleges who can then design programs that will meet their needs.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by the Chairperson**

30911. And so that works really well for all parties because I think we all share the key interest around employment outcome. So rather than training for the sake of training, effectively training to put people into jobs today that are transferable skills also really, you know, important to local colleges and post-secondary trainers.
30912. So the other part that's worked well is sharing information about our project which has been, you know, ongoing for 10 years. We keep saying 10 years, 11 years, but that's been ongoing for a long time. So sharing the information, getting a sense from those local trainers of what their capacity is, where they feel their investments will be over the next few years is also really important, I think, working well.
30913. The more that we can engage with communities and work as partners, the better. And so we do look forward to engaging more coastal communities and discussions. We have heard from them, both through this process and in individual community meetings on the coastal side, that they have a real interest in getting back on the water, working in jobs that are related to marine services.
30914. So that would be an opportunity for us to work with marine-based communities, link them back to colleges and trainers and then design programs that will effectively meet all needs and interests.
30915. **THE CHAIRPERSON:** So you're talking about building future opportunities. Are you finding that there are any stumbling blocks to the existing opportunities that you have now in terms of your relationships with the northern communities and universities that you're working with at this point?
30916. **MS. CATHERINE PENNINGTON:** I think -- you know, to be quite frank, some of the challenges -- and although I think that we're doing a good job in the last little while of really trying to address it -- has been that many colleges that would provide a service, you know, say to a number of Aboriginal communities that have at the political level made a decision either not certain about this project or have come out against the project.
30917. There are sometimes some challenges of the colleges feeling comfortable in working not only with Northern Gateway, but with other colleges that we're -- or pardon me, other industry partners until their Aboriginal communities feel really comfortable.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by the Chairperson**

30918. So the way that we've dealt with that is a really honest and forthright way. We simply acknowledge that we understand where the colleges and university is coming from; we look for an opportunity to be community driven and community based just as they do; and, for example, we've -- we're dealing with some of those challenges. So again, taking it back to our interest and you know, mutual interest.
30919. I'd also say that community colleges and other challenges that many community colleges are overwhelmed, they are responding to the workforce shortage and so it's sometimes a capacity challenge from their side as well.
30920. **THE CHAIRPERSON:** Thank you for that.
30921. Mr. Carruthers, you spoke earlier today about the allocation of the community funds and you said you would do it throughout the pipeline -- the proposed pipeline right-of-way and also in the marine corridor. Can you help me understand a little bit more the conceptual approaches as to how you would proceed to do that?
30922. **MR. JOHN CARRUTHERS:** They're not fully developed so -- but what I've envisioned always is the fact you -- there's this fund but of course, you've got to get some fair allocation along the -- those who might have an interest in it. So I think you'd need to set up some parameters that a portion goes to, for argument's sake, Alberta, terrestrial B.C. and coastal B.C. or something. So I think there has to be some forum for allocation so that it's balanced and then probably some allocation within those.
30923. I know when we've -- we've given out some -- I think it's 467,000 to date and what we've gone through is looked at, you know, communities to make sure that we keep track of what communities received what just so we can try and get a balance there. So -- but I expect we'll need some more formalized mechanism so that -- almost envisioning some being allocated to different regions and then maybe there's some aspect that's more global for a portion of it.
30924. **THE CHAIRPERSON:** Would you see some sort of steering committee that was based on representation from the communities along the proposed project, is that something that you would be considering?
30925. **MR. JOHN CARRUTHERS:** Very much so. The steering committee but then I was trying to get down to, often these requests come from a

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by the Chairperson**

- very localized community. So I was trying to balance that broad steering committee versus the very local community would have their own interest so -- but conceptually very much looking at a steering committee. So it wasn't Northern Gateway making the determination, it was the community and we'd like to be involved but not putting too many restrictions on it.
30926. So I'm just not -- I guess I'd probably in my own mind envisioned more of the regional CABs might get a -- an allocation or something like that as opposed to a full steering committee, because again, I don't know that that steering committee would reflect the interest of the specific communities as well.
30927. **THE CHAIRPERSON:** Thank you, that's helpful.
30928. Mr. Carruthers, I want to talk to you a little bit about PNCIMA and the Fisheries Liaison Committee. My understanding from what we've heard in oral evidence, there's been some in written evidence and there's been some discussion during the questioning phase, is that PNCIMA is, what I would say, an established coastal marine collaboration process. There's a history within PNCIMA of collaboration on the coast to undertake the mandate that it has for itself. Would you agree with that?
30929. **MR. JOHN CARRUTHERS:** There's been very strong collaboration with the coast Aboriginal communities and environmental organizations, not as strong as I'd like to see with industry. So -- but it is a good -- it's a planning tool, a collaborative planning tool so there -- obviously, there's aspects of that and we do participate. So it is one example of a collaboration.
30930. **THE CHAIRPERSON:** And what do you think are the -- what are the reasons that industry is not involved on the collaboration aspect of PNCIMA, from your knowledge and perspective of having been involved with it through Northern Gateway?
30931. **MR. JOHN CARRUTHERS:** I think there was -- there's been strong alignment with the environmental organizations and Aboriginal communities for quite a period, and I think so there was a bit more natural partnership on that aspect. Less so and, in fact, less welcome of -- you know, of tankers. So again, I think we have to somehow balance the broader interests as well with those interests.
30932. So -- and it's not exclusive, the shipping -- chamber shipping's on there

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by the Chairperson**

- and that. I just would see a stronger industry component would be important. And I think -- but the way it would have evolved may have just been the natural relationships that historically have been held.
30933. **THE CHAIRPERSON:** Given that that framework exists at this point that you -- you know, what I'm hearing you say is that there could be more -- more building blocks put to it to make it more collaborative and more inclusive.
30934. Do you see any synergies going forward between PNCIMA and your proposed -- the Northern Gateway's proposed Fishery Liaison Committee?
30935. And I'm talking about this in terms of a consultation process that PNCIMA exists, the Fishery Liaison Committee doesn't exist at this point, and I'm just wondering if Northern Gateway has given consideration to whether there are some synergies that could be obtained by working collaboratively with PNCIMA.
30936. **MR. JOHN CARRUTHERS:** The Fishing Liaison Committee was focused on a very specific issue, and sometimes -- I'm hesitant to get things too broad because you lose everyone's interest where, to me, fishing liaison was very focused and you'd have people who had a strong interest in what the discussions were and it was contained. So I sometimes think it's better to keep some specific issues with a relatively more interested group.
30937. What I did see probably more opportunity -- I look at what the CABs attempted to accomplish. I look at what B.C. position is, is they want a world-class marine system and we want a world-class marine system and environmental organizations want world-class.
30938. So at least there, I believe you have a very common objective and, to me, something like that kind of setup where we're all aligned on the objective, which is world-class, and yet you're representing diverse interests.
30939. So I didn't necessarily see it as PNCIMA, but I certainly saw an opportunity for the Province of B.C. and even today's announcement by the federal government, it sure seems a lot of people want the same thing. So it's just a matter of how to execute it.
30940. So I would fundamentally take something like the CAB process for a period and say get together and define world-class and set the standards because you've got a -- again, we think we're accomplished -- we're accomplishing that,

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by the Chairperson**

but it's clearly an aspect of what B.C. government aspires to and what the federal government aspires to.

30941. So there's a very natural process there on a specific issue. And I would make it world-class marine planning and response because I think that takes away what we've had -- what's shown to be difficult for us, if people had a different objective, i.e. if their objective was to delay or frustrate oil sands development, they may not want to participate in what we would have seen as a quantitative risk assessment.

30942. But if you had people who, in good faith, were just trying to meet a goal of world-class, I think then it could be very, very productive. And that would be an excellent example of a collaborative initiative that could come with some very real and meaningful outcomes.

30943. **THE CHAIRPERSON:** And at the moment, where would you see that collaborative initiative fitting as far as you define the -- defining world-class marine planning and response? Do you have a spot for it in your mind at this point?

30944. **MR. JOHN CARRUTHERS:** Yes, very -- I think the Province of B.C. should host that and say we've -- get the right people in place. And again, I think you've got a lot of interested participants in the federal government, Northern Gateway, the Province of B.C., the industry generally. That should just be done -- something that we all participate in.

30945. But I think we're all saying the same thing, so I think it's right for that discussion. And the province has some plans in place but I would put a more coordinated effort on that.

30946. **THE CHAIRPERSON:** This may not be the right panel to talk about this with, but there are some times where people get to the point of what's called consultation fatigue. And so I'm just wondering if you can help me understand from the aspects of what's being considered on the west coast with the proposed project, there is an organization that exists now known as PNCIMA. There's your proposed Fisheries Liaison Committee which, as you said, is targeted, and then there's another aspect that you're raising about world-class.

30947. Do you have a vision for how this might come together collaboratively so that everybody's not running to four meetings each week on a different topic?

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by the Chairperson**

30948. **MR. JOHN CARRUTHERS:** Yeah, very much envision the Province of B.C. hosting it and setting a timeframe and getting the right people together to say let's define world-class because we believe we've defined it. We believe we can meet it.
30949. Part of our problem is that -- getting people to understand that that's -- we believe we're there. But I think that discussion with the Province of B.C., including the federal government, and environmental organizations that have -- understand issues as well and Aboriginal communities. I think if it was a focused, targeted discussion, we could very quickly bring that together because there's -- this process itself has brought a lot of information together.
30950. I don't know -- we're not lacking information. I think we're just lacking a more constructive way to discuss it. And that's when I looked at the principles of the CAB. If you looked at those principles that were developed by the CAB, they seem to me the type of principles you should work from in terms of trying to define world-class.
30951. And it doesn't have to be those, but those to me were very compelling ones to work with.
30952. **THE CHAIRPERSON:** Thank you.
30953. And I have one last question, and I would direct it to both you, Mr. Carruthers, and you, Ms. Holder. Always great -- and everybody knows who's been along these panels before that I often have this question.
30954. It's great to be where we're at now. We've all had the opportunity to learn a great deal. If you were starting out at this point to bring forward a proposal such as Northern Gateway, what have you learned from the consultation and engagement process that you've been through to date?
30955. **MS. JANET HOLDER:** I think the one thing was the lesson that we learned and I think the industry learned about a year and a half ago is that we probably didn't define stakeholders broad enough, or at least we didn't focus on a broader group of stakeholders to the same extent we should have.
30956. You know, we had great success the last 11 years along the right-of-way and education and being in the communities, having a face to the project.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by the Chairperson**

We did not do that same -- didn't have that same level of engagement with the rest of British Columbia or the rest of Alberta and Canada.

30957. So I think the one thing that we did learn is we probably should have stepped up the educational process and -- primarily in the lower part of British Columbia and some parts of Canada to help people understand who we were as a company, who we are -- what we are as a project and what we really are bringing to the table.

30958. So I think that would be -- we should have done some of the things we've been doing in the last year a lot sooner.

30959. **THE CHAIRPERSON:** And with that lesson in mind, have you got anything else that you will be bringing forward, beyond what you've already discussed, with this particular project?

30960. **MS. JANET HOLDER:** Yes. We are going to be -- we're finalizing a -- our further education or outreach program as we speak. We plan to -- I think you've heard we spent, our evidence says, somewhere -- you know, depending on how you look at it -- 5 to \$7 million in the last year on what a lot of people call advertising but we call our educational outreach plan.

30961. We will be at least doubling that over the next 12 months, so we are going to be very aggressively going out to help people understand how they can join in this conversation, how they can better understand the project, get a little more delineate, not be -- like if you've seen our ads to date, they're very broad, intended to reach a whole pile of different people.

30962. What we're going to do is try to bring that down so that there's specific messaging for different types of individuals, depending on what their interests are about the project.

30963. **THE CHAIRPERSON:** Mr. Carruthers, anything to add?

30964. **MR. JOHN CARRUTHERS:** I think the one thing that I have learned is that there was a lot of -- I was surprised at the amount of disagreement we had on what I would call scientific issues or factual based. And one good example might be the tanker moratorium, that there's a moratorium on the west coast of British Columbia.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by the Chairperson**

30965. And I always found that shouldn't be an issue because you could look out the window and see the tanker but yet that was an issue of debate. And we've seen a number of those come up so I think one and -- that we've learned from is creating a forum so that those issues could be put to bed, I guess, from a more independent basis.

30966. And that's why we evolved to the Scientific Advisory Committee so we could address some of those issues. We address them here but there's also other ways to give people confidence.

30967. So I think interesting to me the other key issue we always have to face is the broader issues, the oil sands, the unsettled land claims. So it's very complex but clearly the more you can bring in people to be participating in the development of the information -- what we tried to accomplish with the quantitative risk assessment was to, you know, take those out of the -- so that people could still have a decision to make based on values but at least would have -- be working from common scientific information.

30968. So again, the more projects can do to get out in front of those issues from a more independent sourcing, I think that would be helpful.

30969. **THE CHAIRPERSON:** And again, based on that, are there any further steps that you're planning to take with this particular project moving forward?

30970. **MR. JOHN CARRUTHERS:** Yes, I think that came into trying to ensure that we had a framework for continued engagement and future decision making. So that really came into trying to put in place all the things that we've talked about, the environmental monitoring, the community response plans, the geographic -- the development of the geographic response plans. All the plans that we're undertaking to try and make them more inclusive so people could participate.

30971. And again, try to create a monitoring and independent audit so that people could have confidence in the work that was coming out of the -- the work -- the future work being done. And then also recognition of the continued role the National Energy Board has in continue to monitoring to making sure that we live up to our commitment.

30972. So again, I think it's that framework for future engagement that

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by the Chairperson**

doesn't stop when we're off this panel but continues. Continues, as I've talked about, through this fall but even after a decision where we -- there's a lot of opportunity for two-way engagement about making the project world-class and meeting the needs of the community.

30973. So I think it's really that framework that I saw as what we're trying to put in place going forward for continued engagement even with those who oppose us because I believe the more we work -- and that's a little bit when you asked about the timing of equity, there's going to be a time where it's right because we do see that as a way to align the interests with coastal communities, similarly with jobs and opportunities, some -- those discussions may have to come after a decision. But we certainly want to keep that door open and a framework so that they can see the benefits and we can address their issues.

30974. **THE CHAIRPERSON:** And are there any other components of the framework that you haven't already addressed, either in evidence -- in written evidence or through your answers to questions on this panel?

30975. **MR. JOHN CARRUTHERS:** No, nothing that we haven't tabled. We'd certainly -- we'll continue to think about it and we'll continue to get feedback from others about potential additional opportunities. But we've tried to table them as we thought of them but again, I still think that's an element of the continued dialogue as well, is there other things that we could or should be doing.

30976. **THE CHAIRPERSON:** Thank you very much. Thank you very much to each of you for the answers to my questions.

30977. Let's take our afternoon coffee break now and come back at 20 after 2 please.

30978. Thank you.

--- Upon recessing at 2:03 p.m./L'audience est suspendue à 14h03

--- Upon resuming at 2:19 p.m./L'audience est reprise à 14h19

30979. **THE CHAIRPERSON:** Thank you very much everyone for being back promptly.

30980. We'll go to Mr. Chaudhary now with questions from the Counsel for the Secretariat please.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Mr. Chaudhary**

JANET HOLDER: Resumed
PAUL ANDERSON: Resumed
JOHN CARRUTHERS: Resumed
RAY DOERING: Resumed
JEFFREY GREEN: Resumed
JEFF PAETZ: Resumed
CATHERINE PENNINGTON: Resumed
MICHELE PERRET: Resumed
JAN WHITNEY: Resumed

--- EXAMINATION BY/INTERROGATOIRE PAR MR. CHAUDHARY:

30981. **MR. CHAUDHARY:** Good afternoon. My name is Asad Chaudhary. I'm counsel to the Joint Review Panel. Thank you, Madam Chair.
30982. Accompanying me are Dr. Shawn Marr and Ms. Katie Emond, socio-economic specialists from the Joint Review Panel Secretariat.
30983. We have a few questions for you, generally regarding the same topics that the Panel Members were exploring but exploring different aspects and hopefully we'll have you on your way shortly.
30984. This morning we heard you describe that you receive weekly reports from your construction liaison regarding Aboriginal benefits and in general about meeting the hiring and procurement commitments that you've made.
30985. Are there any other reports or indicators that would help determine how Northern Gateway is doing in meeting its procurement and hiring commitments?

--- (A short pause/Courte pause)

30986. **MS. JANET HOLDER:** Yeah, we don't have anything specific at this point in time, primarily because we're not into that phase. What we are tracking or we do have a good understanding of and we've been tracking our consultation which is well documented what we've done to date in this application.
30987. But it is our intent, as I mentioned earlier, is once we're finished this

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Mr. Chaudhary**

- regulatory process where we can actually start switching our focus to the organization that we need to go forward. Our organization Gateway is very much regulatory focused, as you might have imagined and now we're going to be ready to go into much more of a phase where we prepare for what we're hoping is a positive decision then in construction.
30988. So in that next stage, we will be hiring resources specifically to manage our commitments and to track a lot of initiatives, to establish KPIs -- key performance indicators around everything that we are -- we've been saying to date so that we understand our success going forward.
30989. **MR. CHAUDHARY:** And if the project were approved, would you be prepared to report to the Board on this?
30990. **MS. JANET HOLDER:** Yes.
30991. **MR. CHAUDHARY:** Thank you.
30992. In an application update filed on December 28th, 2012, Northern Gateway indicates that based on recently received information, a potential pipeline route revision north of the Burns Lake area will be considered to avoid proposed reserve lands.
30993. Can Northern Gateway provide more information regarding the current status of those lands?
30994. **MR. PAUL ANDERSON:** I'll take this one on and if Mr. Doering has anything to add or anyone else, they're more than welcome.
30995. Yes, we had identified that there was an area of federal land in the area of kilometre post 931 to 932 on our current alignment that had been identified as lands that through the additions to reserve process might be added to the Lake Babine Nation reserve.
30996. But given how long that process can take and given that we don't know the outcome and how that will unfold, we do not intend to revise our current route to avoid those lands.
30997. **MR. CHAUDHARY:** Thank you.

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Mr. Chaudhary**

30998. With respect to Aboriginal traditional knowledge studies, do the agreements that Northern Gateway currently has with Aboriginal groups regarding these studies allow for the proposed future detailed centerline surveys that will be undertaken post-approval to identify traditional land use sites?

--- (A short pause/Courte pause)

30999. **MR. JEFFREY GREEN:** My understanding of the agreements that were signed for the traditional land use studies is they were simply for the conduct and completion of the traditional land use study and the filing of the report. Arrangements for doing route walks and the centerline surveys would be part of a future work contract or agreement.

31000. **MR. CHAUDHARY:** So Northern Gateway may need to reengage Aboriginal groups, develop the agreements or protocols required for the detailed centreline surveys if that's the case. Can I confirm that that would be the case?

31001. **MR. PAUL ANDERSON:** In essence, yes. We would see that as being part of our ongoing relationship development with those communities. And we've certainly brought it up, if not with every community we -- with many of the communities that we speak to them about as part of an ongoing consultation program and ongoing work that we would hope that they would assist us with.

31002. **MR. CHAUDHARY:** Does Northern Gateway anticipate any difficulty in reengaging and negotiating those agreements and completing those studies prior to construction?

31003. **MR. PAUL ANDERSON:** In those communities where we have continual engagement, we do not foresee there would be any issue and that that would proceed as part of a process that we're already on, as I mentioned.

31004. There may be some communities where there may be some potential difficulties or challenges in order to get that reengagement or to get engagement in the first instance. But I believe that just like our ATK studies, we'll be able to get 100 percent of the route covered through -- with the centreline surveys from an Aboriginal traditional use perspective.

31005. And there may be areas where there's overlapping traditional lands that there may be a challenge getting every community on board. These will be opportunity-based programs and we'd offer that up as part of our overall

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Mr. Chaudhary**

engagement program and hope that we'd get good participation from communities.

31006. **MR. CHAUDHARY:** And this may be my last question; how long do you anticipate this process would take?

--- (A short pause/Courte pause)

31007. **MR. PAUL ANDERSON:** In some ways, the start -- that work has already started in a sense. What we plan to do with and have done with several of the communities is list a lot of the engagements that we'd like to have them involved in and in what areas and in what studies we'd like to have them participate in.

31008. And as part of an overall comprehensive engagement with those communities, have them working with us. We think that over the next two to three years all of that work would all be completed, and as I say, some of those -- some of that work will start as early as this field season.

31009. Mr. Doering, do you have anything to add?

31010. **MR. RAY DOERING:** Yes, I could add. I think what we saw -- the Haisla presented an aid the other day, which was a letter we had provided in December of 2012, where we put together the framework of environmental studies that needed to -- additional environmental studies that needed to occur, additional geotechnical investigation work that we plan to undertake, additional work around emergency response planning activities.

31011. So we outlined all of those activities that would need to occur over the next 18 months or more and that's the type of arrangement I think we'd like to enter into with all of the various Aboriginal communities. That happened to be an example that they presented as an aid.

31012. And I think we've already talked about, as part of our technical studies, our Class 3 development process, we are actually planning to go into the field again this season to gather additional information in a number of locations to further inform the design and to fulfill some of our commitments around additional environmental assessment work.

31013. And so that's the sort of agreement, I think, we'd like to see with all of

**Enbridge Northern Gateway Panel 4 - Prince Rupert
Examination by Mr. Chaudhary**

the communities and have their involvement and participation in and lots of advanced planning and notice so that they can have their own local representatives with our crews in the field participating in that work. So we would like to see that as a model for the other communities as well.

31014. **MR. CHAUDHARY:** Thank you.

31015. Madam Chair, those are all my questions.

31016. **THE CHAIRPERSON:** Thank you, Mr. Chaudhary.

31017. Ms. Estep, do you have any redirect of this panel?

31018. **MS. ESTEP:** I do not, Madam Chair.

31019. Thank you.

31020. **THE CHAIRPERSON:** Then it's my responsibility and pleasure, by the smiles on the faces of the witness panel, to thank you very much for the evidence that you've provided and for your participation in this process. You're excused. Thanks.

--- (The witnesses are excused/Les témoins sont libérés)

31021. **THE CHAIRPERSON:** So we'll just take a stretch break as we get the next panel seated and ready to begin.

--- Upon recessing at 2:32 p.m./L'audience est suspendue à 14h32

--- Upon resuming at 2:33 p.m./L'audience est reprise à 14h33

31022. **THE CHAIRPERSON:** New faces, looks like we're ready to begin another panel. Good afternoon, everyone.

31023. Mr. Carruthers, can you confirm that you remain under oath?

31024. **MR. JOHN CARRUTHERS:** Yes I can.

31025. **THE CHAIRPERSON:** Thank you. Thank you, sir.

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Crowther**

31026. **MR. CROWTHER:** Thank you and good afternoon, Madam Chair and Members.
31027. It's my great pleasure to be here in Prince Rupert and to have the opportunity to introduce you to the members of the Northern Gateway Project Shipping and Navigation Witness Panel.
31028. Those witnesses are, starting with the gentleman seated closest to you in the first row of witness tables, Mr. Audun Brandsaeter. Seated to Mr. Brandsaeter's left is Mr. Keith Michel. Next to Mr. Michel is Mr. Michael Cowdell. Beside Mr. Cowdell is Captain Jerry Aspland.
31029. And then a man who by now requires no introduction but I'll say it for the record nevertheless, Mr. John Carruthers. Seated to Mr. Carruthers' left is Captain Al Flotre. Next to Captain Flotre is Captain Tom Wood. The last man seated in the first row is Mr. Steven Scalzo.
31030. There are three other members of the witness panel. Unfortunately there is insufficient room to accommodate them in the first row but the fact that they are located behind the other witnesses should not be taken as an indication they take a backseat to anyone. I speak from personal experience.
31031. Seated at the left end of their table as you would view it, Madam Chair, is Mr. David Fissel. The man in the middle is Mr. Henrik Kofoed-Hansen, finally, Mr. Jens Bay.
31032. The witnesses are supported by four gentlemen who are not currently members of the witness panel. They are Mr. Peter Wong, Mr. Peter Acton, Mr. Owen McHugh and Mr. Winston Guo.
31033. Mr. Carruthers has confirmed that he remains under oath but may the witnesses please be sworn or affirmed as appropriate.
31034. I should mention that Mr. Fissel was also previously sworn and we can take care of that in due course or now, whatever is your preference, Madam Chair.
31035. **THE CHAIRPERSON:** Thank you, Mr. Crowther. Mr. Fissel, can you confirm that you remain under oath or affirmation?
31036. **MR. DAVID FISSEL:** Yes, I so confirm.

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Crowther**

31037. **THE CHAIRPERSON:** Thank you.

31038. Ms. Gilbert, would you please swear or affirm the remaining witnesses?

JOHN CARRUTHERS: Resumed

DAVID FISSEL: Resumed

STEVEN SCALZO: Sworn

THOMAS WOOD: Sworn

ALLAN FLOTRE: Sworn

JERRY ASPLAND: Sworn

MICHAEL COWDELL: Sworn

KEITH MICHEL: Affirmed

AUDUN BRANDSAETER: Sworn

HENRIK KOFOED-HANSEN: Sworn

JENS BAY: Affirmed

31039. **THE CHAIRPERSON:** Thank you, Ms. Gilbert.

31040. Mr. Crowther, as you proceed, I confirm that we've not received any objections to qualifying any of the experts that you are seating on this panel.

31041. Rather than calling for comments on the qualifications of each proposed witness of this panel, I would ask parties to come forward if they wish to make any comments on any of the proposed experts, as they are presented by you.

31042. **MR. CROWTHER:** Thank you, Madam Chair.

--- EXAMINATION BY/INTERROGATOIRE PAR MR. CROWTHER:

31043. **MR. CROWTHER:** Mr. Brandsaeter, you are employed by Det Norske Veritas as a Senior Principal Engineer and Associate Director; correct?

31044. **MR. AUDUN BRANDSAETER:** Yes, that is correct.

31045. **MR. CROWTHER:** And in that capacity you are responsible for risk assessments and risk management for clients in both the energy and maritime industries?

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Crowther**

31046. **MR. AUDUN BRANDSAETER:** Yes.
31047. **MR. CROWTHER:** You are appearing as a member of this witness panel to speak generally to the evidence of Northern Gateway concerning operations, safety and accident prevention related to the proposed marine terminal and marine transportation, and specifically to Exhibit B23-34 which is the “Marine Shipping Quantitative Risk Analysis Technical Data Report” and related responses to information requests; correct?
31048. **MR. AUDUN BRANDSAETER:** Yes, that is correct.
31049. **MR. CROWTHER:** Was the evidence that we just discussed prepared under your direction and control?
31050. **MR. AUDUN BRANDSAETER:** Yes they were.
31051. **MR. CROWTHER:** Are there any corrections that you would care to make to the evidence to which you will be speaking that are not already addressed in the errata document Exhibit B210-2?
31052. **MR. AUDUN BRANDSAETER:** No, with the small exception that the errata that has been made related to the QRA, where they are referred to other the places, errata’s also apply there.
31053. **MR. CROWTHER:** Would you please confirm, sir, that subject to the errata identified in Exhibit B210-2, the evidence designated to this witness panel that was prepared by you or under your direction and control is accurate to the best of your knowledge and belief?
31054. **MR. AUDUN BRANDSAETER:** Taking account of the nature of this type of analysis, then certainty and conservatism of necessary assumptions, and conservatism also in the methodology applied for both speed probability and consequence estimation, precise estimation in this case, yes it is accurate to the best of my knowledge and belief.
31055. **MR. CROWTHER:** And do you adopt as part of your evidence in this proceeding the evidence that we have just discussed?
31056. **MR. AUDUN BRANDSAETER:** Yes I do.

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Crowther**

31057. **MR. CROWTHER:** Mr. Brandsaeter, your personal written direct evidence, to which a copy of your curriculum vitae was attached, has been entered as Exhibit B90-13.
31058. Can you confirm that Exhibit B90-13 was prepared under your direction and control and is accurate to the best of your knowledge and belief?
31059. **MR. AUDUN BRANDSAETER:** Yes, recognizing that Exhibit B90-13 was prepared based on information current as at April 2011, I can confirm that.
31060. **MR. CROWTHER:** And do you adopt it as part of your evidence in this proceeding?
31061. **MR. AUDUN BRANDSAETER:** Yes, I do.
31062. **MR. CROWTHER:** Mr. Brandsaeter, you hold a Master of Science degree in mechanical engineering from the Technical University of Norway?
31063. **MR. AUDUN BRANDSAETER:** That is correct.
31064. **MR. CROWTHER:** You have held a number of positions with Det Norske Veritas since you initially joined the organization in 1989; correct?
31065. **MR. AUDUN BRANDSAETER:** Yes, I have -- I initially joined the DNV in 1982, but then I worked for a couple of other companies from 1986 until I rejoined DNV in 1999.
31066. **MR. CROWTHER:** Would you please briefly describe Det Norske Veritas and its work?
31067. **MR. AUDUN BRANDSAETER:** Yes. Det Norske Veritas, or DNV, is an independent foundation established in 1864 with the purpose of safeguarding life, property and environment.
31068. The foundation was established to inspect and evaluate the technical condition of Norwegian merchant vessels. And since that establishment, our core competence has been to identify hazards and advise on how to manage risk, help our customers to safely and responsibly improve their business performance.

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Crowther**

31069. While headquartered in Oslo in Norway, DNV has worked internationally whole time since 1867. We have established approximately 300 offices in more than 100 countries and we have more than 10,000 employees world-wide, coming from more than 85 different nations.
31070. **MR. CROWTHER:** Your work at DNV has focused on the maritime and offshore industries, sir?
31071. **THE CHAIRPERSON:** Mr. Crowther, if I could interject for a moment? The direct evidence is on the record, and so the Panel doesn't need to be led through that direct evidence in order to proceed further.
31072. In previous panels we've just moved ahead and not gone through this piece of it, unless you feel that there's a need that you need to do this part. The Panel has all the information it needs in front of it.
31073. **MR. CROWTHER:** That's fine, Madam Chair, whatever your pleasure. I thought it might be useful to you, though, to hear from the gentlemen in respect of their experience and expertise that may not be reflected in their written direct evidence. I don't propose to lead them through that in their entirety, but I'm really in your hands, whatever it is your preference.
31074. **THE CHAIRPERSON:** We don't need it to proceed. Thank you.
31075. **MR. CROWTHER:** Thank you.
31076. Madam Chair, Northern Gateway is presenting Mr. Brandsaeter as an expert in risk assessment, including in the context of shipping and navigation, and I respectfully request that he be accepted as such.
- (A short pause/Courte pause)
31077. **THE CHAIRPERSON:** Mr. Crowther, the Panel accepts Mr. Brandsaeter as an expert to give opinion evidence in the areas that you've identified.
31078. **MR. CROWTHER:** Thank you.
31079. Mr. Michel ---

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Crowther**

31080. **MR. KEITH MICHEL:** Yes.
31081. **MR. CROWTHER:** --- you are the President-elect of the Webb Institute and past Chairman of the Board of the Herbert Engineering Corp. group of companies and of the Board of Herbert ABS Software Solutions LLC?
31082. **MR. KEITH MICHEL:** Yes.
31083. **MR. CROWTHER:** You are appearing as a member of this witness panel to speak generally to the evidence of Northern Gateway concerning operations, safety and accident prevention related to the proposed marine terminal and marine transportation, and specifically to Exhibit B83-20, which is the document entitled "Corrosion Inspection and Maintenance of Oil Tankers" and Exhibit B83-21, which is the document entitled "Design and Construction of Oil Tankers"; correct?
31084. **MR. KEITH MICHEL:** Yes, that's correct.
31085. **MR. CROWTHER:** Were both of those documents prepared by you or under your direction and control?
31086. **MR. KEITH MICHEL:** Yes, they were.
31087. **MR. CROWTHER:** Are there any corrections that you would care to make to those documents, sir?
31088. **MR. KEITH MICHEL:** No.
31089. **MR. CROWTHER:** Would you please confirm, sir, that the evidence designated to this witness panel that was prepared by you or under your direction and control is accurate to the best of your knowledge and belief?
31090. **MR. KEITH MICHEL:** Yes.
31091. **MR. CROWTHER:** Do you adopt it as part of your evidence in this proceeding?
31092. **MR. KEITH MICHEL:** Yes, I do.
31093. **MR. CROWTHER:** Mr. Michel, an updated version of your personal

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Crowther**

written direct evidence and curriculum vitae were filed as Exhibit B210-5. Are there any corrections that you would care to make to those documents?

31094. **MR. KEITH MICHEL:** Yes, one small correction to the direct evidence. At the time it was written I was Chairman of the Herbert Engineering and the software company. I've recently retired.
31095. **MR. CROWTHER:** Can you confirm that that evidence was prepared under your direction and control and is, subject to the correction that you mentioned, accurate to the best of your knowledge and belief?
31096. **MR. KEITH MICHEL:** Yes, that's correct.
31097. **MR. CROWTHER:** And do you adopt it as part of your evidence in this proceeding?
31098. **MR. KEITH MICHEL:** Yes, I do.
31099. **MR. CROWTHER:** Madam Chair, I ask that Mr. Michel be accepted as an expert qualified in respect of the subject areas of naval architecture, tanker design, maintenance and inspection, corrosion in tankers and risk assessment, particularly in the marine transportation context.
31100. **THE CHAIRPERSON:** Mr. Crowther, the Panel accepts Mr. Michel as an expert to give opinion evidence in the areas you have identified.
31101. **MR. CROWTHER:** Thank you.
31102. Mr. Cowdell, you are employed by WorleyParsons Canada Services Ltd. as a marine structural engineer and have responsibility for the management of maritime projects?
31103. **MR. MICHAEL COWDELL:** Yes.
31104. **MR. CROWTHER:** You are appearing as a member of this witness panel to speak to the evidence of Northern Gateway concerning operations, safety and accident prevention related to the proposed marine terminal and marine transportation; correct?
31105. **MR. MICHAEL COWDELL:** Yes, that's correct.

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Crowther**

31106. **MR. CROWTHER:** Can you please confirm that you participated in preparation of portions of the evidence of Northern Gateway listed in the revised Northern Gateway witness panels and areas of responsibility document, Exhibit B210-6 as designated to this panel?
31107. **MR. MICHAEL COWDELL:** Yes, I can confirm that.
31108. **MR. CROWTHER:** Are there any corrections that you would care to make to that evidence?
31109. **MR. MICHAEL COWDELL:** Yes, there are a couple of corrections.
31110. **MR. CROWTHER:** Can you please describe them, sir?
31111. **MR. MICHAEL COWDELL:** In Exhibit B210-2, erratum 12 should also apply to Table 3-1 in Application Volume 8C, Exhibit B3-37, Adobe page 26. And erratum 15 in Exhibit B10-2 should also apply to Section 4.8.1.2 of Application Volume 8A, Exhibit B3-24, Adobe page 78.
31112. **MR. CROWTHER:** Can you confirm that subject to the errata outlined in Exhibit B210-2 and those that you have just mentioned, the evidence designated to this witness panel that was prepared by you or under your direction and control is accurate to the best of your knowledge and belief?
31113. **MR. MICHAEL COWDELL:** Yes, I can confirm that.
31114. **MR. CROWTHER:** Mr. Cowdell, your personal written direct evidence to which a copy of your curriculum vitae was attached has been entered as Exhibit B210-3 in this proceeding. Are there any corrections that you would care to make to that evidence?
31115. **MR. MICHAEL COWDELL:** Yes, the description of my Master of Engineering degree is correct in my written evidence, but not in my curriculum vitae.
31116. **MR. CROWTHER:** Can you please confirm that subject to that correction, the evidence that we were just discussing was prepared under your direction and control and is accurate to the best of your knowledge and belief?

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Crowther**

31117. **MR. MICHAEL COWDELL:** Yes.
31118. **MR. CROWTHER:** Do you adopt it as part of your evidence in this proceeding?
31119. **MR. MICHAEL COWDELL:** I do.
31120. **MR. CROWTHER:** Madam Chair, I respectfully request the Panel accept Mr. Cowdell as an expert in port and terminal planning.
31121. **THE CHAIRPERSON:** Mr. Crowther, the Panel accepts Mr. Cowdell as an expert to give opinion evidence in the areas you have identified.
31122. **MR. CROWTHER:** Thank you.
31123. Captain Aspland, you were a maritime consultant whose consulting work focuses on oil terminal planning and tanker operations; correct?
31124. **MR. JERRY ASPLAND:** That's correct.
31125. **MR. CROWTHER:** You will be speaking to the evidence of Northern Gateway concerning operations, safety and accident prevention related to the proposed marine terminal and marine transportation?
31126. **MR. JERRY ASPLAND:** Yes, I will.
31127. **MR. CROWTHER:** Can you please confirm that you participated in preparation of portions of the evidence of Northern Gateway as designated to this panel?
31128. **MR. JERRY ASPLAND:** I did.
31129. **MR. CROWTHER:** Would you confirm, Captain Aspland, that subject to the errata outlined in Exhibit B210-2, and those identified today by Mr. Cowdell, the evidence designated to this panel that was prepared by you or under your direction and control is accurate to the best of your knowledge and belief?
31130. **MR. JERRY ASPLAND:** It is accurate.

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Crowther**

31131. **MR. CROWTHER:** Captain Aspland, your written direct evidence to which a copy of your curriculum vitae was attached has been entered as Exhibit B90-8 in this proceeding. Can you please confirm that evidence was prepared under your direction and control and is accurate to the best of your knowledge and belief?
31132. **MR. JERRY ASPLAND:** It was prepared under my control and is accurate to the best of my ability.
31133. **MR. CROWTHER:** And to the best of your knowledge and belief, sir?
31134. **MR. JERRY ASPLAND:** Yes.
31135. **MR. CROWTHER:** Do you adopt it as part of your evidence in this proceeding?
31136. **MR. JERRY ASPLAND:** I do.
31137. **MR. CROWTHER:** Madam Chair, may Captain Aspland please be accepted as an expert qualified to provide opinion evidence concerning marine tanker safety and navigation?
31138. **THE CHAIRPERSON:** Mr. Crowther, the Panel accepts Captain Aspland to give expert -- as an expert to give opinion evidence in the areas you have identified.
31139. **MR. CROWTHER:** Thank you, Madam Chair.
31140. Mr. Carruthers, today you begin your appearance as the Chair of the Northern Gateway project Shipping and Navigation Witness Panel; correct?
31141. **MR. JOHN CARRUTHERS:** Yes.
31142. **MR. CROWTHER:** And in that capacity, you will be speaking to the evidence of Northern Gateway as it concerns operations, safety and accident prevention related to the proposed marine terminal and marine transportation, including policy and project planning?
31143. **MR. JOHN CARRUTHERS:** Yes.

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Crowther**

31144. **MR. CROWTHER:** Can you confirm that you participated in the preparation of portions of the evidence of Northern Gateway designated to this witness panel in the revised Northern Gateway witness panels and areas of responsibility document, Exhibit B210-6?
31145. **MR. JOHN CARRUTHERS:** Yes.
31146. **MR. CROWTHER:** And would you also confirm, Mr. Carruthers, that subject to the errata outlined in Exhibit B210-2, and mentioned by Mr. Cowdell this afternoon, the evidence designated to this witness panel is accurate to the best of your knowledge and belief?
31147. **MR. JOHN CARRUTHERS:** Yes.
31148. **MR. CROWTHER:** Captain Flotre, you are now retired but you hold a Home Trade Master Unlimited Certificate and served as a marine pilot on Canada's pacific coast, including the north coast for 23 years, yes?
31149. **MR. AL FLOTRE:** Yes.
31150. **MR. CROWTHER:** You are appearing as a member of this witness panel to speak generally to the evidence of Northern Gateway, concerning operations, safety and accident prevention related to the proposed marine terminal and marine transportation and specifically to Exhibit B83-22; correct?
31151. **MR. AL FLOTRE:** Yes.
31152. **MR. CROWTHER:** Was Exhibit B83-22 prepared under your direction and control, sir?
31153. **MR. AL FLOTRE:** Yes.
31154. **MR. CROWTHER:** Are there any corrections that you would care to make to that evidence?
31155. **MR. AL FLOTRE:** No. I'm having trouble with the mic, but no.
31156. **MR. CROWTHER:** Thank you.

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Crowther**

31157. Is Exhibit B83-22 accurate to the best of your knowledge and belief?
31158. **MR. AL FLOTRE:** Yes.
31159. **MR. CROWTHER:** And do you adopt it as part of your evidence in this proceeding?
31160. **MR. AL FLOTRE:** That is correct.
31161. **MR. CROWTHER:** Captain Flotre, your personal written direct evidence to which a copy of your curriculum vitae was attached has been entered as Exhibit B90-24 in this proceeding. Can you confirm that that evidence was prepared under your direction and control and is accurate to the best of your knowledge and belief?
31162. **MR. AL FLOTRE:** That is correct.
31163. **MR. CROWTHER:** And do you adopt it as part of your evidence in this proceeding?
31164. **MR. AL FLOTRE:** Yes.
31165. **MR. CROWTHER:** Madam Chair, Northern Gateway is presenting Captain Flotre as an expert in the areas of shipping and navigation and marine pilotage, including on the pacific coast of Canada, and I respectfully request that he be accepted as such.
31166. **THE CHAIRPERSON:** Mr. Crowther, the Panel accepts Captain Flotre as an expert to give opinion evidence in the areas you have identified.
31167. **MR. CROWTHER:** Thank you, Madam Chair.
31168. Captain Wood, you, sir, are employed by Wood Marine, a division of Penanderwood Enterprises Inc. as Principal Marine Consultant?
31169. **MR. THOMAS WOOD:** I am, yes.
31170. **MR. CROWTHER:** You are appearing as a member of this witness panel to speak to the evidence of Northern Gateway concerning operations, safety and accident prevention related to the proposed marine terminal and marine

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Crowther**

- transportation?
31171. **MR. THOMAS WOOD:** I am.
31172. **MR. CROWTHER:** Can you please confirm that you participated in preparation of portions of the evidence of Northern Gateway as designated to this witness panel?
31173. **MR. THOMAS WOOD:** I did.
31174. **MR. CROWTHER:** Would you also confirm, Captain Wood, that subject to the errata outlined in Exhibit B210-2, and those identified today by Mr. Cowdell, the evidence designated to this witness panel that was prepared by you or under your direction and control is accurate to the best of your knowledge and belief?
31175. **MR. THOMAS WOOD:** It is.
31176. **MR. CROWTHER:** Captain Wood, your personal direct -- written direct evidence to which a copy of your curriculum vitae was attached, has been entered as Exhibit B91-25 in this proceeding. Can you please confirm that that evidence was prepared under your direction and control and is accurate to the best of your knowledge and belief?
31177. **MR. THOMAS WOOD:** It was and it is.
31178. **MR. CROWTHER:** Do you adopt it as part of your evidence in this proceeding?
31179. **MR. THOMAS WOOD:** I do.
31180. **MR. CROWTHER:** Madam Chair, I respectfully request that Captain Wood be accepted by the Joint Review Panel as an expert qualified in respect of marine tanker shipping and navigation.
31181. **THE CHAIRPERSON:** Mr. Crowther, the Panel accepts Captain Wood as an expert to give opinion evidence in the areas that you've identified.
31182. **MR. CROWTHER:** Thank you, Madam Chair.

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Crowther**

31183. Mr. Scalzo, you are the Chief Operating Officer of Foss Marine Holdings Inc. which was formerly known as Marine Resources Group; correct?
31184. **MR. STEVEN SCALZO:** Yes I am.
31185. **MR. CROWTHER:** You have held a number of positions in that company or its subsidiary affiliates or predecessors since you joined in 1975?
31186. **MR. STEVEN SCALZO:** Yes, including at various times during my career, operational positions from Port Captain to President and Chief Executive Officer of Foss Maritime Company, and then most recently at the parent company, Foss Marine Holdings as Chief Operating Officer and Board Director.
31187. **MR. CROWTHER:** You are appearing as a member of this witness panel to speak generally to the evidence of Northern Gateway concerning operations, safety and accident prevention related to the proposed marine terminal and marine transportation and specifically to Exhibit B44-3, which is the document entitled, “An Escort and Docking Tug System Northern Gateway Project, Kitimat, British Columbia” and related responses to information requests; correct?
31188. **MR. STEVEN SCALZO:** Yes, that is correct.
31189. **MR. CROWTHER:** Was the specific evidence that we have been discussing prepared under your direction and control?
31190. **MR. STEVEN SCALZO:** Yes it was.
31191. **MR. CROWTHER:** Would you care to make any corrections to the evidence to which you will be speaking that are not already addressed in the errata document today, Exhibit B210-2?
31192. **MR. STEVEN SCALZO:** No, I have nothing to add to the errata document.
31193. **MR. CROWTHER:** Would you please confirm, Mr. Scalzo, that the evidence designated to this witness panel that was prepared by you or under your direction and control is accurate to the best of your knowledge and belief?
31194. **MR. STEVEN SCALZO:** Yes, I confirm that it is.

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Crowther**

31195. **MR. CROWTHER:** Do you adopt that evidence as part of your evidence in this proceeding?
31196. **MR. STEVEN SCALZO:** I do.
31197. **MR. CROWTHER:** Now, Mr. Scalzo, your personal written direct evidence to which a copy of your curriculum vitae was attached has been entered as Exhibit B91-16 in this proceeding. Can you confirm that that evidence was prepared under your direction and control and is accurate to the best of your knowledge and belief?
31198. **MR. STEVEN SCALZO:** Yes, with one exception, that my term on the Executive Committee of the National Transportation Research Board of the National Academies of Science is now expired.
31199. **MR. CROWTHER:** Do you adopt your written direct evidence, sir, and subject to the correction that you made, as part of your evidence in this proceeding?
31200. **MR. STEVEN SCALZO:** Yes I do.
31201. **MR. CROWTHER:** Madam Chair, I respectfully request that Mr. Scalzo be accepted as an expert witness qualified to provide opinion evidence in respect of shipping and navigation generally, and specifically in respect of escort and other tug operations and tug escort of tanker ships.
31202. **THE CHAIRPERSON:** Mr. Crowther, the Panel accepts Mr. Scalzo as an expert to give opinion evidence in the areas that you have identified.
31203. **MR. CROWTHER:** Thank you, Madam Chair.
31204. Mr. Bay, you are employed by FORCE Technology as Senior Project Manager?
31205. **MR. JENS BAY:** Yes, that's correct.
31206. **MR. CROWTHER:** You will be speaking generally to the evidence of Northern Gateway concerning operations, safety and accident prevention related to the proposed marine terminal and marine transportation and specifically

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Crowther**

- to Exhibit B23-18, which is the document entitled “Manoeuvring Study of Escorted Tugs to and from Kitimat Part 1 Executive Summary”, Exhibit B23-19, which is the document entitled “Manoeuvring Study of Escorted Tugs to and from Kitimat Part 2 Main Report” and its appendices which are marked as Exhibits B23-20 through B23-32, Exhibit B83-23 which is the document entitled “Wake Waves at Kitkiata Inlet and Principle Channel”, as well as related responses to information requests; correct?
31207. **MR. JENS BAY:** Yes, it’s actually the escorted tanker, not escorted tugs, but otherwise that’s correct.
31208. **MR. CROWTHER:** Thank you. I misspoke, Mr. Bay, and I appreciate the correction.
31209. Was the specific evidence that we have been discussing prepared under your direction and control?
31210. **MR. JENS BAY:** Yes, it was.
31211. **MR. CROWTHER:** Mr. Bay, would you care to make any corrections to the evidence to which you will be speaking that are not already addressed in the errata document, Exhibit B210-2?
31212. **MR. JENS BAY:** Yes, it has recently come to my attention that an error was made in Exhibit B23-18, section 411, in Table 4.1. The last column of the lower part of that table concerning stop distance for tankers at an initial speed of 12 knots, the number stated was wrong. And reading from the top, the wrong numbers was 1,178 metres, 893 metres, 446 metres, 2,099 metres, 1,626 metres, 1,027 metres and the last number was 60 percent.
31213. The correct numbers are: 1,279 metres, 915 metres, 509 metres, 2,413 metres, 1,785 metres, 1,175 metres, and the last number should read 50 percent.
31214. These corrections also apply to Exhibit B23-19, section 6.3.1 in Table 6.1. It is actually the same table.
31215. Also to the wake -- the Wake Wash Study, Exhibit B83-23, on Adobe page 42, the text under the Figure 8.7 should read, and I quote:

“Wave generation by a 244.6 metre tanker at 12 knots at 90

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Crowther**

metres water depth.” (As read)

31216. **MR. CROWTHER:** Thank you, Mr. Bay.
31217. Would you please confirm, sir, that subject to the errata that we have discussed, the evidence designated to this witness panel that was prepared by you or under your direction and control, is accurate to the best of your knowledge and belief.
31218. **MR. JENS BAY:** Yes.
31219. **MR. CROWTHER:** And do you adopt that evidence as part of your evidence in this proceeding?
31220. **MR. JENS BAY:** I do.
31221. **MR. CROWTHER:** Mr. Bay, your personal written direct evidence to which a copy of your curriculum vitae was attached has been entered as Exhibit B90-10 in this proceeding. Can you confirm please that that evidence was prepared under your direction and control and is accurate to the best of your knowledge and belief?
31222. **MR. JENS BAY:** Yes.
31223. **MR. CROWTHER:** Do you adopt it as part of your evidence in this proceeding?
31224. **MR. JENS BAY:** Yes, I do.
31225. **MR. CROWTHER:** Madam Chair, Mr. Bay is presented as an expert in the subject areas of modelling, simulation and assessment of ships including in respect of their manoeuvring, navigation and wake creation, and I ask that he be accepted as such.
31226. **THE CHAIRPERSON:** Mr. Crowther, the Panel accepts Mr. Bay as an expert to give opinion evidence in the areas that you have identified.
31227. **MR. CROWTHER:** Thank you, Madam Chair.
31228. Mr. Mr. Kofoed-Hansen, you are employed by DHI formerly the

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Crowther**

Danish Hydraulic Institute as the head of Ports and Offshore Technology.

31229. **MR. HENRIK KOFOED-HANSEN:** Yes, I am.
31230. **MR. CROWTHER:** Would it be acceptable to you if henceforward I and others were to refer to you simply as Mr. Hansen, sir?
31231. **MR. HENRIK KOFOED-HANSEN:** That's fine.
31232. **MR. CROWTHER:** You are appearing as a member of this witness panel to speak to Exhibit B83-23, which is the document entitled, "Wake Waves at Kitkiata Inlet and Principe Channel"?
31233. **MR. HENRIK KOFOED-HANSEN:** Yes.
31234. **MR. CROWTHER:** Would you confirm, sir, that that document was prepared by you or under your direction and control?
31235. **MR. HENRIK KOFOED-HANSEN:** Yes.
31236. **MR. CROWTHER:** And you heard the corrections that Mr. Bay mentioned earlier, are there any other corrections to be made to that document at this time?
31237. **MR. HENRIK KOFOED-HANSEN:** No.
31238. **MR. CROWTHER:** Would you please confirm that subject to the corrections to which Mr. Bay has spoken, that evidence is accurate to the best of your knowledge and belief?
31239. **MR. HENRIK KOFOED-HANSEN:** Yes, I can.
31240. **MR. CROWTHER:** And do you adopt that evidence as part of your evidence in this proceeding?
31241. **MR. HENRIK KOFOED-HANSEN:** I can confirm that.
31242. **MR. CROWTHER:** Mr. Hansen, your personal written direct evidence to which a copy of your curriculum vitae was attached has been entered as Exhibit B210-4. Can you please confirm that that evidence was prepared under

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Crowther**

- your direction and control and is accurate to the best of your knowledge and belief?
31243. **MR. HENRIK KOFOED-HANSEN:** Yes I can.
31244. **MR. CROWTHER:** And do you adopt it as part of your evidence in this proceeding?
31245. **MR. HENRIK KOFOED-HANSEN:** Yes I do.
31246. **MR. CROWTHER:** Madam Chair, Mr. Hansen is presented as an expert in the subject areas of wave and metocean processes, analysis and modelling and I respectfully request that he be accepted as such.
31247. **THE CHAIRPERSON:** Mr. Crowther, the Panel accepts Mr. Hansen as an expert to give opinion evidence in the areas that you've identified.
31248. **MR. CROWTHER:** Thank you, Madam Chair.
31249. Mr. Fissel, you appeared previously in this hearing and adopted your personal written direct evidence, B90-23 at that time?
31250. **MR. DAVID FISSEL:** Yes, that's right. However I do have a quick update to make to that evidence. My curriculum vitae mentions my various roles as a member of the executive of the Canadian Meteorological and Oceanographic Society and that was the roles -- the positions of Vice-President, President and Past President. My term as Past President expired since the time that evidence was tabled in 2012, so I put that on the record.
31251. **MR. CROWTHER:** And Mr. Fissel, can you confirm that the evidence designated to this panel that was prepared by you or under your direction and control is accurate to the best of your knowledge and belief and that you adopt it as part of your evidence in this proceeding?
31252. **MR. DAVID FISSEL:** Yes, I confirm.
31253. **MR. CROWTHER:** Madam Chair, I note for the record, that Mr. Fissel was previously accepted in this proceeding as an expert in physical oceanography and he is again presented as such today. For those who are keeping track, the transcript reference is Volume 111, at paragraphs 8131 through 8133.

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Crowther**

31254. **THE CHAIRPERSON:** Mr. Crowther, the Panel continues to accept Mr. Fissel as an expert to give opinion evidence in the area that you've identified.
31255. **MR. CROWTHER:** Thank you, Madam Chair.
31256. That concludes my examination in-chief of the witnesses and they are now available to answer questions.
31257. **THE CHAIRPERSON:** Thank you, Mr. Crowther.
31258. Mr. Tollefson, representing B.C. Nature/Nature Canada. I see you're already here. Let's get underway with your questions and the Panel is prepared to sit until four so that we can get an initial start at the questions for this panel.
31259. So without any further ado, please begin.
31260. **MR. TOLLEFSON:** Very good, Madam Chair, Members of the Panel, witnesses, counsel.
31261. I do have a preliminary matter, if I could, I'd like to make some comments on -- if I could. At about 1:40 Pacific Time, I understand, I'm advised that the Government of Canada has filed six new documents on to the registry. I haven't had a chance to review those documents, but I am advised that they relate to announcements concerning what is been characterized as a world-class tanker safety system. It's a suite of reforms which include some substantive changes.
31262. Clearly this is late evidence. I do not see in the filing any documentation asking your permission to file evidence or to deal with any of the factors that govern the emission of late evidence.
31263. In Hearing Order OH-4-20, Section 4, it clearly -- it clearly states, Madam Chair, that once the time for filing evidence has expired that all parties, including the Government of Canada, are bound to meet that test and that test is to be applied by this JRP.
31264. Included in those factors are questions such as why the deadline has not been met and whether any other parties might be disadvantaged by the admission of the late evidence.

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Tollefson**

31265. I note that the JRP ruled on a similar issue which was raised by intervenor Josette Wier in relation to a filing made by the proponent on December 28th. So there is a ruling on this very issue fairly recently.
31266. As I say, I haven't really had time to digest all of the new material that has been filed, but I have talked to counsel for other intervenors, and we all share a concern about this late filing and, therefore, I would like to make a motion calling upon the federal government to make submissions as to how this evidence meets the test set out in the Hearing Order that I've just referred to and for the intervenors to have an opportunity to make submissions in response.
31267. Thank you.
31268. **THE CHAIRPERSON:** Does the Government of Canada have any preliminary comments to make? We will set up a separate time to deal with this motion.
31269. **MS. ANDERSON:** Yes, good afternoon, Madam Chair. Dana Anderson on behalf of the federal government participants.
31270. Perhaps I can just clarify matters by advising the Panel that the letter that came in earlier today was not for the purpose of filing written evidence but was simply for the Panel's information.
31271. If the Panel requires anything further from us by way of submissions, we'd be happy to consider that.
31272. **THE CHAIRPERSON:** Mr. Tollefson, do you have any further comments at this point in time?
31273. **MR. TOLLEFSON:** I should have -- I didn't realize counsel was here for the federal government. And I understand from what she says that none of these materials, including the cover letter, are being filed as evidence in this proceeding at this point.
31274. **THE CHAIRPERSON:** Do I understand that you're withdrawing your motion then, Mr. Tollefson?
31275. **MR. TOLLEFSON:** I am. Thank you.

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Tollefson**

31276. **THE CHAIRPERSON:** Thank you, Mr. Tollefson.

31277. Please proceed with your questions.

--- EXAMINATION BY/INTERROGATOIRE PAR MR. TOLLEFSON:

31278. **MR. TOLLEFSON:** I want to, if I can, commence with some questions that deal with incident frequency, and I imagine perhaps that it's Mr. Brandsaeter who will likely be the individual best positioned to answer these.

31279. Can you confirm, sir, that the incident frequency data that is used in the QRA, that that is drawn from a database known as the Lloyd's Register-Fairplay. Is that correct?

31280. **MR. AUDUN BRANDSAETER:** Yes, that is correct, though I could mention that after the QRA was filed, the Lloyd's Register-Fairplay database has been bought up by another one, so it's known under the name IHS Fairplay.

31281. **MR. TOLLEFSON:** Can we agree, sir, then for the purposes of questioning, that I'll call it the Lloyd's Registry?

31282. **MR. AUDUN BRANDSAETER:** For me, that is okay.

31283. **MR. TOLLEFSON:** Very good.

31284. So this is one of the most widely used maritime casualty databases in the world, correct?

31285. **MR. AUDUN BRANDSAETER:** That is one of the most recognized databases of marine casualties. That's correct, yes.

31286. **MR. TOLLEFSON:** And it purports to be comprehensive in its coverage? In other words, it includes data from all ports around the world, including all of the ports along the West Coast of North America, sir?

31287. **MR. AUDUN BRANDSAETER:** The purpose or intention for that database is to cover the whole world, not only ports, also deep-sea sailing, all other maritime traffic.

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Tollefson**

31288. **MR. TOLLEFSON:** There's no areas of the world, and none in the West Coast, that are excluded from the database then?
31289. **MR. AUDUN BRANDSAETER:** Not to my knowledge, no.
31290. **MR. TOLLEFSON:** Very good.
31291. Now, when you secured access to the database, you extracted incident frequency data for four distinct incident types. Is that right?
31292. --- (A short pause/Courte pause)
31293. **MR. AUDUN BRANDSAETER:** Yes, I think that is correct, yes.
31294. **MR. TOLLEFSON:** And those would be, sir, grounding, foundering, collision and the last is fire and explosion. Those are the four incident types that you extracted data for, sir?
31295. **MR. AUDUN BRANDSAETER:** Yes, and as you just pointed out, the fire and explosion is in that database considered as one.
31296. **MR. TOLLEFSON:** As a single.
31297. Now, in terms of the parameters, the only restrictions that you employed in addition were tanker size and the incident time period. In other words, you stipulated that you were interested in certain tanker size and a particular time period. Is that right?
31298. **MR. AUDUN BRANDSAETER:** We had to limit the base so that we could refer it to a known exposure of vessels. We would need to know the vessel/years, as we call it, the number of vessels during each of those years in order to establish frequencies and, of course, we wanted to look at those vessels that had similar characteristics with regard to accident probabilities as those that we wanted to analyze. And as such, we limited it to tankers over a certain size and for the years 1990 to 2006.
31299. **MR. TOLLEFSON:** So the time period that you looked at was 1990 to 2006 and you looked at tankers that exceeded 10,000 DWT; is that correct?
31300. **MR. AUDUN BRANDSAETER:** That is correct, sir.

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Tollefson**

31301. **MR. TOLLEFSON:** Thank you.
31302. Now, sir, would you agree with me that there is an increasing recognition in the research in this area, an increasing recognition of the significance of under-reporting of marine casualty data in various casualty databases around the world? Would you agree with me?
31303. **MR. AUDUN BRANDSAETER:** Whether or not it's increasing, I'm not absolutely sure of because it has been well known for quite a long time that it's more likely that too few events is reported than too many. So we have always been aware of the fact that there is under-reporting.
31304. The attention or concern about it may have been increasing, but we also know that during the last years, the quality of the reporting has improved and the under-reporting has been less.
31305. So I don't necessarily agree that the concern is increasing, but there is a concern and we recognize that it is very important.
31306. **MR. TOLLEFSON:** Well, how far back, sir, at DNV have you been aware -- corporately now I'm talking about -- as an entity, how long have you been aware that under-reporting is a problem?
31307. **MR. AUDUN BRANDSAETER:** That's difficult to say, but I don't think anybody ever had thought that we have had 100 percent reporting. So as such, we have known all the time that there is some deficiencies in the reporting.
31308. **MR. TOLLEFSON:** Well, would you agree that when you wrote the report, the QRA, that you were aware that some accounts -- some research suggested that the Lloyd's Registry was under-reporting in a very significant way, that it was reporting potentially only 20 percent of the total casualties?
31309. **MR. AUDUN BRANDSAETER:** Yes, we were aware that it was a significant under-reporting. We also were aware that some had estimated it to be in the order of 30 percent of the total events that were reported. It is, though, very important to connect that to a lower under-reporting of the incidents or accidents involving spills of hydrocarbons compared to the under-reporting of accidents only causing material damage to the vessels.

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Tollefson**

31310. **MR. TOLLEFSON:** Maybe Madam Gilbert, at this point, could bring up -- it's one of our AQs. I think it's AQ at Tab 1, which is Psarros et al. 2010.
31311. Now, you -- that's good, maybe we could get the full screen view of that first page would be good? Thank you.
31312. Mr. Brandsaeter, you've had a chance to review this particular AQ in advance of your testimony?
31313. **MR. AUDUN BRANDSAETER:** I've had chance to glance through it, yes.
31314. **MR. TOLLEFSON:** Okay.
31315. And would you agree that this is a peer reviewed paper that you've previously been aware of?
31316. **MR. AUDUN BRANDSAETER:** I have not previously been much aware of exact that paper but these are written by colleagues of mine that I have a close relation with so I knew their work. That's -- so ...
31317. **MR. TOLLEFSON:** So Mr. Psarros and the two other individuals who are identified as his co-authors, you know those individuals?
31318. **MR. AUDUN BRANDSAETER:** I know at least those two individuals that are co-authors on that report, Mr. Skjong and Mr. Ryder.
31319. **MR. TOLLEFSON:** And do you know Mr. Psarros?
31320. **MR. AUDUN BRANDSAETER:** Not personally, no.
31321. **MR. TOLLEFSON:** No.
31322. But all three of those individuals they work for DNV; do they not?
31323. **MR. AUDUN BRANDSAETER:** I cannot confirm that they're doing that at the moment but, last time I had any contact with them, they did ---
31324. **MR. TOLLEFSON:** Right.

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Tollefson**

31325. **MR. AUDUN BRANDSAETER:** --- so I assume they do.
31326. **MR. TOLLEFSON:** Mr. Skjong is the Chief Scientist at DNV is he not, sir?
31327. **MR. AUDUN BRANDSAETER:** Mr. Skjong is the name but, yes, he is.
31328. **MR. TOLLEFSON:** Sorry.
31329. **MR. AUDUN BRANDSAETER:** Yup. That's okay.
31330. **MR. TOLLEFSON:** And Mr. Psarros, he is a Naval Architect and Marine Engineer, a Risk Scientist with DNV Research and Innovation at Hovik?
31331. Is that right?
31332. **MR. AUDUN BRANDSAETER:** I cannot confirm that but I assume you are citing right.
31333. **MR. TOLLEFSON:** Well, sir, you work out of Hovik; do you not?
31334. **MR. AUDUN BRANDSAETER:** Yes, I do, together with a couple of thousand other colleagues.
31335. **MR. TOLLEFSON:** Okay.
31336. So this article examines tanker casualty records from two databases; correct?
31337. It looks at Lloyd's Registry and it looks at a database called "NMD"; correct?
31338. **MR. AUDUN BRANDSAETER:** NMD is the abbreviation for Norwegian Maritime Directorate or Norwegian Maritime Authority but they do have a casualty database that they have compared to LRFP.
31339. **MR. TOLLEFSON:** And you would agree with me that, in the portions that you've read, that this article describes how they looked at both of

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Tollefson**

those databases for the period 1997 to 2007?

31340. **MR. AUDUN BRANDSAETER:** I cannot confirm the years, not without looking at the print.

31341. **MR. TOLLEFSON:** All right.

31342. Can we go to Adobe page 2, please?

31343. And in the first full paragraph, on the right-hand column there, sir, what does it say?

--- (A short pause/Courte pause)

31344. **MR. AUDUN BRANDSAETER:** And your question was, sir?

31345. **MR. TOLLEFSON:** Do you agree that this article covers those two databases for the dates that I described, 1997 to 2007?

31346. **MR. AUDUN BRANDSAETER:** From what is on the screen, I believe that is correct.

31347. **MR. TOLLEFSON:** Thank you.

31348. Sorry, Ms. Gilbert, if we could go to Adobe 4, please?

31349. And, Madam Chair, I realize that earlier I should have introduced both of my juniors who are indispensable to me. If I might, can I do that now?

31350. **THE CHAIRPERSON:** Please do.

31351. **MR. TOLLEFSON:** Yes.

31352. So to my right is Ms. Natasha Gooch for the record, G-O-O-C-H, who is an articling student with the Environmental Law Centre.

31353. And, of course, previously, you've been introduced to Mr. Anthony Ho, who is in our intensive clinic and I apologize that I didn't introduce them earlier.

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Tollefson**

31354. So I think it would be helpful, first of all, just, if we could, to go to the bottom left-hand corner of the document there?

31355. Now, Mr. Brandsaeter, there is a calculation, a formula set out there which depicts the data that's entered into the formula and, then, two results: For NMD, which is the Norwegian Maritime Directorate database, it says 41 percent. And then, right below that, it says: For LRFP, which we agree is Lloyd's Register, it says 30 percent.

31356. Can you interpret the -- what those numbers refer to, please?

--- (A short pause/Courte pause)

31357. **MR. AUDUN BRANDSAETER:** I guess the authors' own description of what these calculations are are better than my interpretation anyway so ...

31358. **MR. TOLLEFSON:** Well -- okay.

31359. So right above where those calculations appear, in the sentence that commences with the word "Thus", it states that:

"...with regard to the reporting performance of the two databases,..." (As read)

31360. And one of those is Lloyd's Registry, the second one.

"...for the same fleet flagged vessels, the upper limit for reporting frequency could be assigned as..." (As read)

31361. And then it goes on to set out 41 percent and 30 percent.

31362. Do you understand that the upper limit represents the outer end of incidents that are reported to those databases?

31363. In other words, that for 70 percent of the incidents, Lloyd's Database has no record?

31364. **MR. AUDUN BRANDSAETER:** Yes, I would agree that that is my also interpretation of that statement.

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Tollefson**

31365. **MR. TOLLEFSON:** Thank you.
31366. If we could, I would like to go to the next AQ at Tab 2, please?
31367. And the author of this document is Martin Hassle. He has two co-authors. It's Adobe 1 at Tab 2.
31368. Okay. It says -- my note says: "Hassle et al., 2011, Adobe 1, AQ Tab 2"?
31369. I'm sorry I should have just read that out as opposed to ad-libbing. And that's exactly the one.
31370. Mr. Brandsaeter, this is also -- would you agree this is also a peer reviewed paper?
31371. Are you familiar with whether it's peer reviewed?
31372. **MR. AUDUN BRANDSAETER:** I'm not familiar with that paper, no.
31373. **MR. TOLLEFSON:** Okay. Are you familiar with the lead author, sir?
31374. **MR. AUDUN BRANDSAETER:** No, I'm not.
31375. **MR. TOLLEFSON:** Okay. So you haven't seen this document previous to coming to Prince Rupert.
31376. **MR. AUDUN BRANDSAETER:** No, not until ---
31377. **MR. TOLLEFSON:** Okay.
31378. **MR. AUDUN BRANDSAETER:** --- yesterday or the day before.
31379. **MR. TOLLEFSON:** All right. So in your review of this document, would you agree that this study builds upon -- it's a follow-up study to Psarros et al. and it looks at tanker casualty records from seven flag states and from the Lloyd's Registry. Would you agree with that?

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Tollefson**

31380. **MR. AUDUN BRANDSAETER:** I haven't studied it sufficient detail that I can give any comment on that paper as a topic.

31381. **MR. TOLLEFSON:** Okay. So then perhaps we could just look at the paragraph that -- it's the third full paragraph in the abstract. And I'll get into the article a little bit more later.

31382. But you'll see there, sir, that it also is looking at the upper limit of reporting performance. In this study, they're looking at flag states but they're also looking at -- and comparing that to the Lloyd's Registry. Would you agree with that?

31383. **MR. AUDUN BRANDSAETER:** From the short time I've had to look at it just here now ---

31384. **MR. TOLLEFSON:** Thank you.

31385. **MR. AUDUN BRANDSAETER:** --- I assume you're correct.

31386. **MR. TOLLEFSON:** Okay. And in that first sentence that starts with the words, "The estimated upper limit" -- I'll just read the sentence to you:

"The estimated upper limit reporting performance for the selected flag states ranged from 14 to 74 percent while the corresponding estimated coverage of IHS Fairplay ranges from 4 to 62 percent." (As read)

31387. Now, the first question I had is, they're referring -- when they say IHS Fairplay, that's the Lloyd's Registry. Is that right?

31388. **MR. AUDUN BRANDSAETER:** That is the same ---

31389. **MR. TOLLEFSON:** Right.

31390. **MR. AUDUN BRANDSAETER:** --- database, so that is correct, sir.

31391. **MR. TOLLEFSON:** And you'd agree that they're finding that the Fairplay or the Lloyd's Registry data under reports in incidents. That conclusion is consistent with what Dr. Psarros from DNV has found. Would you agree with

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Tollefson**

- me?
31392. **MR. AUDUN BRANDSAETER:** It seems to be relatively good correspondence between those two papers, yes.
31393. **MR. TOLLEFSON:** And you'd agree that the Hassle paper actually is a broader survey than the Psarros survey. It actually looks at under reporting with respect to both a number of flag states as well as the Lloyd's Registry. Is that right?
31394. **MR. AUDUN BRANDSAETER:** I think broader in the sense that they looked at more flag state than just Norwegian flag vessels, but they only look at flag state on one side and Lloyd's Registry data -- Fairplay on the other side.
31395. **MR. TOLLEFSON:** Thank you.
31396. Now, I'd like to go to Adobe page 2 in this document. All right.
31397. Now, I wish we had a pointer. Is there a pointer, Madam Chair, that we could borrow? Thank you so much.
31398. Oh, sorry. Perhaps we could just go down a little bit. There it is. Okay. If you keep going just a little bit more. Thank you so much.
31399. And maybe, Ms. Gilbert, if you could just zoom into the paragraph in the bottom left-hand corner there because I -- I want -- yeah. I want it to be fair to the witness so that he can see this.
31400. And we could just -- yeah, that's great. And perhaps you could just -- sorry to be finicky, but if we could just move it down a little bit so we can see the start of that paragraph that's highlighted.
31401. Mr. Brandsaeter, you've had a chance to look at this article and review at least the portions that have been highlighted in yellow, have you not?
31402. **MR. AUDUN BRANDSAETER:** I've read through the highlighted portions. That's correct, yes.
31403. **MR. TOLLEFSON:** Okay. And where the highlighting starts that we're looking, it references a study by Thomas, and I -- you've given the

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Tollefson**

- pronunciation earlier, it's Yong?
31404. **MR. AUDUN BRANDSAETER:** Skjong.
31405. **MR. TOLLEFSON:** Skjong.
31406. **MR. AUDUN BRANDSAETER:** Very good.
31407. **MR. TOLLEFSON:** I'm sorry, I'll keep -- I'm Norwegian way back when, but I unfortunately lost all of the linguistic talent. So are you familiar with Thomas as well?
31408. **MR. AUDUN BRANDSAETER:** No, sir, I'm not.
31409. **MR. TOLLEFSON:** Okay. Well, you know Skjong 2009 is a study that pre-dates Psarros. Is that right?
31410. **MR. AUDUN BRANDSAETER:** I am not sure whether it's the same report on Psarros et al on the others ---
31411. **MR. TOLLEFSON:** Very good.
31412. **MR. AUDUN BRANDSAETER:** --- so I cannot confirm.
31413. **MR. TOLLEFSON:** Okay. But would it -- what you can agree with is that it's consistent. The finding that is reported there from those individuals is that only about 30 percent of fire and explosion accidents in chemical tankers are reported to the Lloyd's Registry. You'd agree with me that that's consistent with Psarros, would you?
31414. **MR. AUDUN BRANDSAETER:** Yes, no reason to ---
31415. **MR. TOLLEFSON:** Right.
31416. **MR. AUDUN BRANDSAETER:** --- state that 30 percent isn't in correspondence with 30 percent.
31417. **MR. TOLLEFSON:** And then it goes on to reference -- this is Hassle et al goes on to reference the Psarros article where Psarros finds the upper level -- upper limit to be 30 percent for the Lloyd's Registry. See that? You have no

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Tollefson**

reason to disagree with your countryman's findings on those scores?

31418. **MR. AUDUN BRANDSAETER:** No, absolutely not.

31419. **MR. TOLLEFSON:** Thank you.

31420. Madam Gilbert, I'd just like to go up in that document just up a little bit north in that same column, please. And just keep going, please. Okay.

31421. So you'll see, sir, that -- you'll see that there's a paragraph -- the second -- well, I guess the first full paragraph that Mr. Hull is pointing to. And in that paragraph, sir, Hassle et al observe as follows, that casualty data is a commercially traded asset, although that's not highlighted, but then they go on to say this:

"A common denominator for these services is they give the impression to the potential customer that they present a perfect solution or accurate data in response to a request." (As read)

31422. And then he goes on to say this -- and I wonder whether you agree with this sentence -- however -- this is the sentence I wonder if you agree with:

"However, databases on maritime casualties are perforated with inaccuracies or missing data." (As read)

31423. Do you agree with that?

31424. **MR. AUDUN BRANDSAETER:** I don't think I would agree to that characterization. But as I said earlier, we are very well aware that there are under reportings and they are absolutely not complete. So even though those selling the databases want us to assume them to be perfect, we know they're imperfect. And we have to use the data in that way as well so we, of course, need to take that into account when we use it.

31425. **MR. TOLLEFSON:** Very good.

31426. Madam Gilbert, could we go back to the abstract for this article, please?

31427. I want to get the witness to comment on the last paragraph in the

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Tollefson**

abstract in light of -- if we could just zoom in a little bit?

31428. So from what you've just said, Mr. Brandsaeter, you would agree with -- you would agree with the sentence that the last paragraph of the abstract which says that:

"The considerable scope of underreporting uncovered in the study, indicates that users of statistical vessel accident data should assume a certain degree of underreporting and adjust their analysis accordingly. Whether to use correction factors, a safety margin or rely on expert judgement should be decided on a case-by-case basis." (As read)

31429. Do you agree with that?

31430. **MR. AUDUN BRANDSAETER:** Yes, I fully agree with that and as it states, there are several ways to cope with underreporting. And as I also mentioned earlier, we know that the underreporting of incidents is significant.

31431. For instance, the study referred to earlier by Thomas and Skjong which mentions specifically the fire and explosions, several of those we know that are engine room fires that doesn't necessarily lead to any other involvement by others and we know that those are often underreported.

31432. When it then comes to reporting of oil spills, which fortunately is much more difficult for the owners to hide. We know that the -- we have a much higher reliability of the reported accidents when it comes to environmental spills.

31433. **MR. TOLLEFSON:** Sir, in this QRA, do you anywhere mention underreporting as a problem?

31434. **MR. AUDUN BRANDSAETER:** I don't think that is explicitly mentioned, no.

31435. **MR. TOLLEFSON:** No. And nor, sir, have you made any adjustments to the data whether by way of scaling factors or sensitivity analysis. You've made no adjustment to the data to reflect underreporting have you?

31436. **MR. AUDUN BRANDSAETER:** It's not explicitly mentioned, that's correct. Though, as I just mentioned, the underreporting is definitely not that

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Tollefson**

significant when it comes to environmental spills and the main focus of this report was to -- or not the one we have on the screen but the QRA that has been filed mostly to look at environmental spills and probability thereof.

31437. And we used the same basis so even though we have presented the incident frequencies so that we can see the relative importance of different types of accidents, a little bit further on that with conditional probabilities of spills would then correct automatically for the difference in the underreporting between spills and incident frequencies.

31438. So yes, there may be -- or most likely is underestimation of the incident frequencies but the spill frequencies is still not underreported to the same extent. And then we have additional conservatism in the estimation of the conditional spills.

31439. So as such, we have not mentioned underreporting as a specific source of uncertainty but we are confident that that is taken care of so that that final results are within the uncertainty limits that one -- you'd have to expect for such analysis.

31440. **MR. TOLLEFSON:** Just to be completely clear though, you said -- I think that you didn't make any explicit adjustments for underreporting. But to be clear, you make no adjustments for underreporting. There's nowhere in your report that you make adjustments for underreporting do you?

--- (A short pause/Courte pause)

31441. **MR. AUDUN BRANDSAETER:** No, we have not mentioned, as you say, any specific adjustments for underreporting but we have several other assessments with quite conservative assessments of the numbers used. So the final results, as I said, we believe are correct.

31442. **MR. TOLLEFSON:** I think before I close off, I would like to go back to the Psarros article and ask a couple final questions before we adjourn, if that's all right. The Psarros article, in the top right-hand corner perhaps, we could go there and zoom in. And it's Adobe 4, and yes, and it's the second portion that's highlighted there.

31443. Now, just to be clear, this is the article that finds that the upper limit for reporting in Lloyd's Registry is about 30 percent but it also offers a very, I

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Tollefson**

- think, important observation in the passage that is highlighted there.
31444. And it indicates that the seriousness of an accident does not significantly affect the likelihood of being simultaneously reported in both databases. Would you agree with me that what the author -- the authors I should -- is saying is that in terms of underreporting, there is no correlation between seriousness and underreporting.
31445. It's just as likely that a serious accident will be under or non-reported as a less serious one; would you agree with me?
31446. **MR. AUDUN BRANDSAETER:** It must be remembered that in the Lloyd's Register- Fairplay database or IHS Fairplay Database, it's only categorized in non-serious and serious accidents and total losses, which is not necessarily what you would assume when you hear total loss ---
31447. **MR. TOLLEFSON:** Right.
31448. **MR. AUDUN BRANDSAETER:** --- because it's one that is damaged or that is not economically feasible to repair it.
31449. Based on those categories, they found that there was no direct correlation between the seriousness and the underreporting but that does not mean that serious spills -- sorry, serious accidents involving spills have a similar low reporting as events with -- or accidents, incidents without spills.
31450. **MR. TOLLEFSON:** Very good. I think I will leave it there. Thank you so much for your answers.
31451. **THE CHAIRPERSON:** Thank you, Mr. Tollefson.
31452. Ms. Gilbert, could we get an AQ number please for B.C. Nature for this witness panel?
31453. **THE REGULATORY OFFICER:** AQ74.

**--- AID TO CROSS-EXAMINATION NO./AIDE AU CONTRE-
INTERROGATOIRE No. AQ74:**

B.C. Nature and Nature Canada - Aids to cross-examination

**Enbridge Northern Gateway Panel 5 - Prince Rupert
Examination by Mr. Tollefson**

31454. **THE CHAIRPERSON:** So we'll close for this afternoon and we'll begin again tomorrow morning at 8:30.

31455. Good evening, everyone.

--- Upon adjourning at 4:01 p.m./L'audience est ajournée à 16h01