

Appendix O May 2010 Alliance Presentation Materials

O.1 Northern Gateway Alliance Tour - Benefits Overview



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GATEWAY PIPELINES

Northern Gateway Pipelines BENEFITS OVERVIEW

Northern Gateway Alliance Tour
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Benefits

- The NGP is the largest infrastructure project ever undertaken between Alberta and British Columbia
- Project, and therefore the benefits, can be divided into three phases:
 - Regulatory phase – 2002-2013
 - Construction phase – 2013-2016
 - Operational Phase – 2016 onwards



Benefits – Regulatory Phase

- Northern Gateway personnel have been working in the communities on the project since 2002.
- Activity has ramped up since 2005 with
 - meetings in Aboriginal and Non-Aboriginal communities
 - Technical, terrestrial, marine, engineering and environmental studies
 - All of this activity has resulted in tens of millions of dollars spent:
 - helicopters, hotels, meals, vehicle and equipment rentals and contract employment opportunities



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Benefits – Construction Phase

- **Benefits during construction will include:**
 - Employment
 - Economic activity
 - Government Revenue



Benefits – Construction Phase

- **Construction – On-site employment only:**
 - 4,100 person-years of direct on-site employment in BC
 - 1,400 person-years of direct on-site employment in AB
 - Between 2000 and 3000 workers will be directly employed during the peak periods of project construction
- **Construction – Total employment (On-site, Purchases, Indirect, Induced):**
 - 35,000 person-years of employment in BC
 - 15,000 person-years of employment in AB
 - 12,000 person-years of employment elsewhere in Canada
 - Total of 62,000 person-years across Canada (\$4.3 Billion in Labour Income)



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Typical labour & supply services

- 2 General construction
- 2 Electrical and mechanical contracting
- 2 Transportation (air, trucking and rail)
- 2 Clearing, logging and salvage
- 2 Site restoration
- 2 Supplies (concrete, gravel, building materials)
- 2 Equipment and parts
- 2 Fuel
- 2 Industrial rentals, repairs
- 2 Ancillary (food services, accommodation)
- 2 Environmental monitoring
- 2 Field technicians
- 2 Stockpiling
- 2 Surveying
- 2 Access roads
- 2 Construction camps and catering



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Benefits – Construction Phase

- Tax Revenue during Construction
 - \$165 million to BC
 - \$114 million to AB
 - \$912 million to Canada



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Benefits – Operations

- During operations, the project is expected to generate 1,150 long term jobs (Direct, Indirect and Induced)
 - ~560 jobs in BC with labour income estimated at \$32m/yr
 - ~380 jobs in AB with labour income estimated at \$26m/yr
- Property tax will total \$36 million annually
 - virtually no need for additional new municipal or regional services.
 - Property taxes will total more than \$1 Billion over the 30 year life span at the local and regional levels.



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Benefits - Operations

- **Economic Impact of Project and Market Access over 30 Years:**
 - \$1.2 Billion in tax revenue for BC over 30 years
 - \$462 Million in tax revenue for AB over 30 years
 - \$2.6 Billion in total tax revenue for local, provincial and federal governments
- Incremental increase in GDP of \$270 Billion

O.2 Northern Gateway Alliance Tour – Benefits Overview: British Columbia



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NGP BENEFITS OVERVIEW

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Benefits

- The benefits associated with the NGP project are almost unprecedented for any privately funded project in the history of British Columbia
- Divided into three primary phases
 - Regulatory phase – 2002-2013
 - Construction phase – 2013 – 2016
 - Operational Phase – 2016 onwards



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Benefits – Regulatory Phase

- Northern Gateway has been active as a feasibility study or a project – since 2002.
- Since 2005 – very active up and down along the corridor engaging with Aboriginal communities and non-aboriginal stakeholders
- Wide range of terrestrial and marine engineering and environmental studies – spent more than \$ 100 million to date, investing in this application
- Reflective in helicopters, hotels, meals, rental vehicles and contract employment opportunities



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Benefits – Construction Phase

- The North will be counted on supplying a wide range of labour and supply services resulting in investment of billions of dollars into the BC and Alberta economies
 - Construction will involve more than 5000 person years. Between 2000 and 3000 workers will be directly employed during the peak periods of project construction, which will last about two years.
 - These are well paying jobs. Labour income during construction in BC alone for direct, indirect and induced employment is estimated at \$2.5 billion
 - Tax revenue during construction in BC is estimated at \$165 million



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Typical labour & supply services

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Benefits – Operations

- 2 During operations, the project is expected to generate 560 long term jobs in BC alone – amounting to some \$32 million per year in labour income.
- 2 With respect to property tax in British Columbia – will amount to some \$ 36 million – EVERY YEAR – with virtually no need for additional new municipal or regional services.
- 2 Over the 30 year life span of the project, that will result in more than over \$ 1 Billion in new revenue at the local / regional levels.