

Focus on Jobs

The proposed Mackenzie Gas Project links natural gas fields in the Mackenzie Delta with a pipeline system that would carry the gas to market over a 500-kilometre route through the Mackenzie Valley to Norman Wells. At Norman Wells the natural gas would be separated into liquids and compressed gas. From there, an 800-kilometre pipeline system would transport the natural gas to existing distribution systems in northern Alberta.

The developers of the Mackenzie Gas Project include Imperial Oil Resources, Aboriginal Pipeline Group (APG), ConocoPhillips Canada (North), Shell Canada and ExxonMobil Canada.

The APG was formed in 2000 to represent the interests of the NWT aboriginal peoples in the proposed project.

Northern Opportunities and the Mackenzie Gas Project

People living in the North have asked us whether they will have an opportunity to participate in the work associated with the Mackenzie Gas Project. The answer is Yes! In fact, northern contractors, suppliers and individuals from the Territories – both aboriginal and non-aboriginal – have been assisting us during the Project Definition phase. As the proposed project moves forward, job and business opportunities are expected to grow.

This newsletter outlines some of the hiring and contracting initiatives, including results achieved to date. To this point, work in the North related to the Project Definition phase has focused on:



- gathering environmental information
- communicating and consulting with northern communities
- initiating field work needed to support engineering design work.

Gathering Environmental and Socio-Economic Information

Our current activities include both environmental investigations (including land, water, air, animals and fish) and collection of socio-economic information and traditional knowledge. This baseline information helps to determine the potential effects of our proposed project on people and the environment. The information will also help us develop an appropriate environmental mitigation plan.



Environmental Work

In early 2001, bids were requested from six consulting firms, including two northern (NWT) companies. Realizing that no one firm could do the work, the companies formed two alliances to submit bids. The environmental work was awarded to TeraAGA, a consortium that includes KavikAxys and IMG Golder, both

having aboriginal ownership. TeraAGA is committed to working closely with aboriginal communities in several aspects of the biophysical, socio-economic, traditional knowledge and archaeological components of the project.

About 40 percent of the \$3 million spent in 2001 on gathering environmental information was received by northern individuals and businesses, both aboriginal and non-aboriginal.

2001 Environmental Program

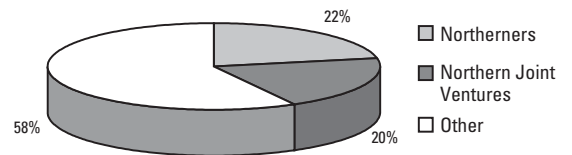


Figure 1: Percentage of \$3 million program received by aboriginal and non-aboriginal Northerners and others

Granular Resources - Environmental Activities

A number of sources suggested to us that all northern businesses, including newly formed businesses, should have an opportunity to bid on project work. In response, we took a different approach when we were planning to gather further environmental information in 2002 on granular resources and sites.



Taking a soil sample, Summer 2002
Photo courtesy of Charlotte Mougeot, TeraAGA

We identified all northern environmental companies that could do the work, including some that were newly formed. The following local companies were sub-contracted to carry out the work.

In the **Inuvialuit Settlement Area – Inuvialuit Environmental and Geotechnical Inc. (IEG)** was created in 1998 and is 100 percent owned by the Inuvialuit Development Corporation.

In the **Gwich'in Settlement Region – Nehtr'uh EBA** is a joint venture between the Nehtr'uh Development Group Inc. and EBA Engineering Consultants Ltd. Nehtr'uh, a Gwich'in controlled corporation, was established in 2002 to provide environmental and engineering consulting within the Gwich'in Settlement Area. EBA, a northern resident firm, has been involved with oil and gas environmental, geotechnical and engineering studies for more than 30 years.

In the **Sahtu Settlement Area - MacKay Range Contracting/Greenpipe** is a consortium between a wholly owned business of Tulita Land Corporation (MacKay) and Greenpipe Industries Inc., which is a Calgary-based company with expertise in various pipeline-related areas.

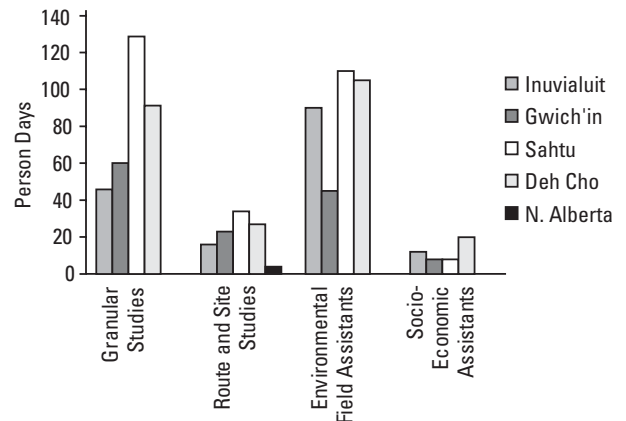
In the **Deh Cho Region - Deh Cho Environmental Corporation** was launched by biologist Stephanie Sibbeston and her husband, Randy Sibbeston, along with brothers-in-law Murray Sibbeston and Tim McClelland. They have formed a partnership with Inuvialuit Environmental and Geotechnical (IEG), giving them access to IEG's staff when needed.

As a continuation of the 2001 program, local technicians and assistants were hired to assist in gathering environmental information along the pipeline route and at potential facility sites.

Local technicians were selected based on experience with pipelines, knowledge of the land and community support. Local assistants were also hired for the environmental field programs. This gave students or recent graduates of renewable resource management programs a chance to get field experience.

Environmental and Socio-Economic Information Gathering

January to September 1, 2002

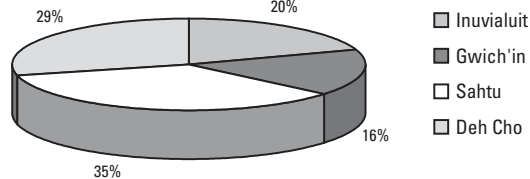


As a result of these initiatives, aboriginal and non-aboriginal northerners worked on gathering environmental and socio-economic information a total of 800 person days* in the first eight months of 2002 (see pie chart).

Environmental and Socio-Economic Work

Jan. - Sept. 1, 2002

(800 Person Days* Total)



* 1 person day = 1 person working 8 hours, or 2 people working 4 hours

Socio-Economic Information

Socio-economic information includes data on community structure such as numbers in each age group, and economic activities in a region. This baseline information lets us

assess potential effects the Mackenzie Gas Project may have on communities. Community assistants have helped to collect and verify socio-economic information and this program will continue into Winter 2002-03.

We are also planning public participation meetings to identify environmental and socio-economic issues. Community or regional project representatives will assist in conducting these meetings.



Photos courtesy Government of Northwest Territories, unless otherwise stated.

Traditional Knowledge

We are in the process of developing community-based proposals to gather Traditional Knowledge in each region. TeraAGA is starting to work with groups in the different regions to develop proposals:

- through the Inuvialuit Cultural Resource Centre, Hunters and Trappers committees and Elders committees
- through the Gwich'in Social and Cultural Institute in the Gwich'in Settlement Area
- with the communities of Fort Good Hope, Tulita, Norman Wells, Colville Lake and Déline
- with the Liidlii Kue First Nation, Fort Simpson Metis, Jean Marie and Trout Lake communities (and with other Deh Cho communities near the proposed pipeline route)



Aircraft Leasing by Region
September 1, 2002

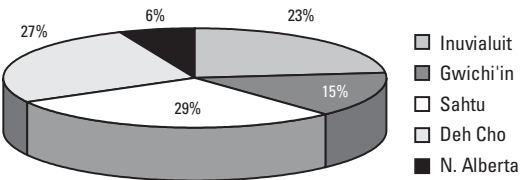


Figure 2: Total expenditure of about \$3 million by region

Logistics and Air Transport

When gathering environmental information, we use local helicopter and airplane companies, including northern resident companies.

In the first eight months of 2002, approximately \$3 million was spent on aircraft services alone, including route and site selection data gathering.

- Examples of companies used in each region:
- Inuvialuit:** Canadian Helicopters
 - Gwich'in:** Trans North Helicopters, BeauDel Air
 - Sahtu:** Sahtu Helicopters, Canadian Helicopters
 - Deh Cho:** Great Slave Helicopters

Engineering

Initially, we approached 14 companies – including Canadian and international companies – to ask them for expressions of interest in this work. Following a screening process, four bidders were asked to respond to a detailed Request for Proposal. Evaluation of the bids was based on technical competence, commercial considerations (cost) and aboriginal/northern content.



The firm selected, ColtKBR, has developed an approach that includes northern participation, both aboriginal and non-aboriginal. They have already hired community assistants to help them with early work to identify granular resources such as gravel and rock.

Northern individuals and businesses have been notified in advance about upcoming work, including assessing river crossings and taking core samples for more detailed assessment of granular materials. ColtKBR has also issued a request for interest in this work. Over the next year, further local assistance will be needed to fine-tune selection of the pipeline route and sites for infrastructure, such as temporary roads and camps.

Communications and Consultation

In September and early October, regional MGP offices opened in Fort Simpson, Norman Wells and Inuvik. These offices will employ 10 full-time staff members who are from the NWT.

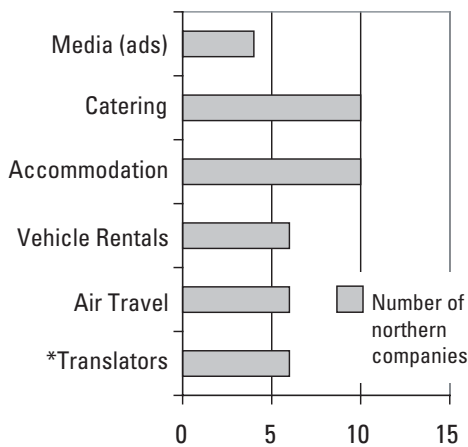
In addition, part-time community representatives are being hired in 14 other communities in the Territories.

When planning and conducting community meetings, we have contracted local services and individuals for:

- Translation
- Organizing meetings
- Logistics – air and ground travel, accommodation, restaurants

Northern Services Used During Community Consultations

March - Sept. 2002



*Number of individuals, not companies

- Catering
- Meeting room rentals
- Advertising, newsletter distribution (northern media)

More Opportunities to Come

As we move further into the Project Definition phase, additional information will be given to communities on available job and business opportunities. We will also work with local businesses to help them understand

project requirements and the qualifications companies need to meet project requirements.

Currently, the MGP is planning to conduct a geotechnical drilling program during the first three months of 2003. We are in the process of creating a list of qualified businesses that can provide services in the following areas:

- **Geotechnical drilling contractors** to drill test holes and recover samples at selected locations.
- **Geotechnical consultants** to prepare detailed test hole records and conduct laboratory testing on soil and rock samples collected from the field.
- **Land surveyors** to conduct topographic surveys and determine geographic position and elevation of each test site and related access route.

- **Geophysical survey contractors** to conduct shallow surveys of river and stream crossings to assess ice thickness, water depth, and subsurface stratigraphy (underground rock layers).
- **General contractors** to construct and maintain winter roads and ice bridges as well as clear trees for access roads and drilling sites; provide transport services for personnel, food and other supplies to and from the drilling camps; transport and dispose of sewage and other wastes from the camps.
- **Emergency medical technicians** to provide emergency medical and first aid support services for geotechnical program activities.
- **Camp and catering contractors** to provide personnel and camp facilities for the above contractors.

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