

NOVA SCOTIA ENVIRONMENTAL ASSESSMENT BOARD  
KELTIC PETROCHEMICAL AND LIQUEFIED NATURAL GAS FACILITY  
NOVEMBER 2006

---

V O L U M E I

---

HEARD BEFORE: Dr. Tony Blouin, Chair  
Dr. Ray Cranston, Member  
Ms. Penny Henneberry, Member

PLACE HEARD: Guysborough, Nova Scotia

DATE HEARD: Monday, November 20, 2006

PROPONENT: Keltic Petrochemical Inc.:  
Mr. Shawn Duncan  
Mr. Kevin Dunn  
Mr. Derek Owen  
Mr. Rob Schonk  
Mr. Dave Purvis  
Ms. Janet Blackadar

INTERVENORS: Municipality of the District of Guysborough  
Warden Lloyd Hines  
  
Ecology Action Centre  
Ms. Chantal Gagnon  
  
Mr. Frank Fougere  
Mr. Stewart MacIntosh  
Mr. Ernest Kelly

RECORDER: Drake Recording Services Limited  
Per: Mark L. Aurini, Commissioner of Oaths

---

Transcribed by:  
Drake Recording Services Limited  
1592 Oxford Street  
Halifax, N.S. B3H 3Z4

## I N D E X   O F   P R O C E E D I N G S

	PAGE NO.
THE CHAIRMAN - OPENING REMARKS . . . . .	4
KELTIC PETROCHEMICAL INC. PANEL - MR. SHAWN DUNCAN, MR. KEVIN DUNN, MR. DEREK OWEN, MR. ROB SCHONK, MR. DAVE PURVIS, MS. JANET BLACKADAR - PRESENTATION . . . . .	14
Questioned . . . . .	39
THE MUNICIPALITY OF THE DISTRICT OF GUYSBOROUGH PANEL - MR. WARDEN LLOYD HINES, MR. BRADLEY MACLEOD, MS. SHEILA PELLY, MS. DEBBIE TORREY, MR. GARY CLEARY, MR. DAN MR. DAN MCDUGALL - PRESENTATION . . . . .	52
Questioned . . . . .	88
(Evening Session - 6:30 p.m.)	
THE CHAIR - OPENING REMARKS . . . . .	129
KELTIC PETROCHEMICAL INC. - MR. SHAWN DUNCAN - PRESENTATION . . . . .	134
Questioned . . . . .	147
THE ECOLOGY ACTION CENTRE - MS. CHANTAL GAGNON - PRESENTATION . . . . .	151
MR. FRANK FOUGERE - PRESENTATION . . . . .	161
MR. STEWART MacINTOSH - PRESENTATION . . . . .	167
MR. ERNEST KELLY - PRESENTATION . . . . .	168

UNDERTAKING FOR MS. GAGNON - ECOLOGY ACTION CENTRE PAGE NO.

(1) Municipality of the District of Guysborough  
to provide clarification on the zoning at  
Meadow Lake . . . . . 106

4 Monday, November 20, 2006 - 1:30 p.m.

THE CHAIR

Ladies and gentlemen, if I could ask you to find your seats, and get organized. We're almost at 1:30, so we'd like to get started on time, and keep to our schedule as much as possible, please. Folks, just before we begin, could I just make an announcement? The parking spots immediately next to the building, that's a fire lane, and they'd prefer if you don't park in there. I believe at the moment, we have one car there, a blue Buick Allure, New Brunswick plates. If that happens to be you -- thanks so much. Maybe a couple of other things, just before we start. Emergency exits at the front and back of the building. The washrooms are through the door on the right, to the rear, there. If anybody has cell phones or pagers, I'd just ask, please, turn them off.

THE CHAIR - OPENING REMARKS

So, I want to welcome you to the Provincial public hearings under the environmental assessment process for the proposed Keltic Petrochemical facility. My name is Tony Blouin. I'm the Chair of the Nova Scotia Environmental Assessment Board, and Chair of these hearings. On my left is Ray Cranston, who is a member

of the Assessment Board, and another member of the Panel. On Ray's left is Penny Henneberry, also a member of the Board and of the Panel. So, the three of us are the hearing Panel for this session -- for all of the sessions on Keltic. On my left is Jim Gordon, who is the Administrator for the Environmental Assessment Board. On Jim's left -- right, sorry, is Mark Rieksts, who is the legal advisor to the Board. Just to point out, the Panel members, the three of us here, are all volunteers. We're reimbursed for our time and expenses, and but we are not employees of the Provincial Government, and we don't report to anyone in the Department of Environment and Labour, except to the Minister. The -- following the hearings, our job, basically, is to prepare a report to the Minister with our recommendations on the project, and we make use of the input that we've received from the public through these hearings, from the proponent, and from intervenors and others who provide material to us, and that all goes into the report. The purpose of an environmental assessment is to consider the likelihood of significant environmental impacts, positive or negative, to the biological and physical environment,

but also to the social and economic environments of the area around the project. Our authority includes a variety of possible recommendations to the Minister. Basically, we can recommend that a project not go ahead, or we could recommend that it go ahead with certain conditions attached, that we might advise to the Minister. Or, we could recommend that it go ahead just as it's described in the assessment report, without any additional conditions. Our role as the Environmental Assessment Board is advisory. We provide recommendations to the Minister. But at the end of the day, the Minister of Environment and Labour makes the final decisions on the outcome of the assessment for the project under review. We do have a number of handouts at the back table there, copies of presentations, as well as the agenda for the different days of the hearings, and the schedule. The hearing sessions will be held today in Guysborough in the afternoon and evening, tomorrow in Sherbrooke, afternoon and evening, and then for the following four days through to Saturday, in Antigonish, at various times. These are being conducted under the mandate of the Provincial environmental assessment process, which

is required under legislation. Certain types of projects have to go through public hearings, and petrochemical facilities are included. The Federal government also has a separate environmental assessment process that they administer. That will apply to portions of the Keltic proposal, because portions of the project will require Federal permits, before it goes ahead. Under the Federal process, the Minister -- Federal Minister has required that Keltic must undergo what's called a comprehensive study, which involves a report, which is similar to the one that's under review now, that's been submitted to the Province. There are not going to be any Federal public hearings required, so this is strictly a Provincial hearing process. Information that's provided by Keltic under the Provincial process will also be used in the Federal comprehensive study, and that comprehensive study report will be released, I believe, in the near future, by the Federal authorities, also for public review. At the end of the day, both the Federal and Provincial ministers have to make their own decisions on the project separately, but the processes and the information requirements should be coordinated as much

as possible, to avoid duplication of efforts. The public hearings here don't necessarily follow the same rules of evidence and procedure that a court of law would follow. They are intended to provide a fair, open and balanced hearing. It's non-confrontational. It's fairly informal, but we do have certain rules of procedure that are specified in the legislation. Basically, they just provide a chance for the public to be heard on all sides of the issues around this project. We are doing a complete transcript of all of the sessions. It will be prepared and will be available within 14 days, I think, after the close of the hearings. In order to do this, proceedings are audiotaped. The Town of Guysborough has requested permission to videotape, and that's no problem. I don't see any evidence that they're doing that, but they can, if they wish to. The media can also videotape, if they wish. I would ask if anybody objects to being videotaped, when you're speaking from the audience, or presenters, if you do object to being videotaped, let us know that beforehand. And the media, as I say, can record things, but they're not allowed to be obtrusive. No lights or moving around.



I would ask anyone that's speaking, whether it's from the audience or presenters, please identify yourself every time you get to a microphone. This is so we can identify people who have spoken for the transcript. That becomes part of the public record. And when you first speak, if you'd provide your name and also an indication of where you reside. Not your address, but just the general area where you're from. The -- I guess the primary rule here is everybody has an equal right to come and express their views, and we do expect everyone to respect those rights. Rules of normal good behaviour apply, and so no -- no interruptions from the audience, when someone is speaking. You will have an opportunity to make comments, or ask questions, later in the session. If you're coming up to ask a question, I'd ask that you direct your question to me, as Panel Chair. I'll determine who is best able to answer that question. The reason we do this is to avoid having debates starting directly between the audience and the various presenters, because we won't be able to record that adequately for the transcript, and it's just not proper procedure. The order of speakers is set out in the regulations. The proponent goes first. They'll

give us a presentation on the project. We'll follow that with a question and answer session, if you have questions for the proponent. And I'd emphasize, make sure that in that part of the proceedings, we limit those to questions. If you want to make a statement or discuss an issue, there's time for that later on. But after each presentation, we'll have time for direct, specific questions for that presenter. And as I indicated, at the end, we'll keep time for an open forum, for anyone who has to come to the microphone, make a statement, voice an issue or a concern or ask a question. And when you're asking questions, we'd ask you, just avoid being repetitive. In other words, if someone's already asked that question, don't repeat it. We'd like to have additional questions or issues brought forward. Under the regulations, there's a requirement that anybody who's giving substantial evidence to the Panel has to be sworn in before they do so. So, this would apply to, for instance, the group from the proponent, Keltic, who are going to be making presentations. For anyone who is going to make a formal presentation at the podium, that's required. It's not required for members of the audience, or the

public, who just want to get up at the microphone and make a statement, or ask a question, so you won't need to be sworn in to do that. We do have time limits on each of the segments, and I'll have to be fairly strict with those, in order to get through the agenda that we have. But we have allowed a fair amount of time for each part, and so hopefully, we will make sure that we have adequate time at the end, as I say, for anybody in the audience who wants to make a statement. And, so, I guess at this point, we're going to get the Keltic group sworn in. And we'll do that -- we have a large number of people. We're going to do it as a group, so I'll ask -- they're going to introduce themselves, and the Administrator will get them sworn in. So, we'll do that as a group. That will apply, then, throughout the -- all of the hearings and not be repeated, so any of you that need to speak, you will be under oath to do so.

MR. GORDON

Jim Gordon, Administrator. I'm wondering whether everybody's hearing at the back of the room, or any other areas of the room? Is the sound good? No problem? Thank you. Yeah, Shawn, do you want to go

ahead and just introduce your group?

MR. DUNCAN

Sure. My name is Shawn Duncan. I'm from AMEC Earth & Environmental. We were involved, and assisted Keltic with the preparation of the EIA, and I'll just take a minute here to introduce our Panel here of folks that will be providing information to the Board, and to the members of the public. Starting from my far right is Derek Owen. He's with Maple LNG Limited. To his left is Rob Schonk, from Royal Haskoning. Rob will be speaking to issues associated with LNG materials and operations. To my immediate right is Janet Blackadar, from AMEC Earth and Environmental. Janet was also involved with the EIA and will be assisting in providing some responses associated with the EIA itself. To my left is Dave Purvis from Stone & Webster. David is involved with the process on the petrochemical side, and health and -- environmental health and safety associated with that industry. He'll be assisting in providing -- or providing some assistance with regards to information on that regard. And to my far left is Kevin Dunn from Keltic Petrochemicals. Kevin is the President of that

company, and will be providing a number of -- amount of information associated with the project, as well as the history of the project, in terms of the development of it as well.

MR. GORDON

Perhaps we could swear people in out here, into this mike out here, in the presentation area.

MR. DUNCAN

Sure. Yeah.

KELTIC PETROCHEMICAL INC. PANEL, (Sworn)

MR. KEVIN DUNN, (Sworn)

MS. JANET BLACKADAR, (Sworn)

MR. SHAWN DUNCAN, (Sworn)

MR. DEREK OWEN, (Sworn)

MR. ROB SCHONK, (Sworn)

MR. DAVE PURVIS, (Sworn)

THE CHAIR

Okay, thank you. So, at this point, I ask Keltic to go ahead with their presentation. We have 30 minutes for the presentation. And we've allowed 30 minutes for questions and answers to Keltic, following that. And then following that, we have the Municipality of the District of Guysborough is going to make a

presentation. So, go ahead, please.

KELTIC PETROCHEMICAL INC. - PRESENTATION

MR. DUNCAN

Thank you very much, Mr. Chairman, Panel Members, members of the audience. As mentioned, my name is Shawn Duncan. I'm here to present the information on the Keltic project, provide you a little bit of background information on the project in general, as well as to go through the environmental assessment process, the kind of issues that we evaluated in the EIA, as well as some of the permitting and regulatory approvals that still will be required for the project, as we move forward with development. So, generally, about the Keltic project, probably people in this area are fairly familiar with it, but just as an overview, it has two main components. We're looking at a regasification facility here for LNG, or liquid natural gas, with a capacity -- initial capacity of 1 billion cubic feet per day of send out, which is expandable, hopefully in the future, up to 2 billion cubic feet per day. Associated with the LNG and that feed stock we've got an integrated petrochemical complex. The idea there is to use those liquids to produce an end

product, polypropylene and polyethylenes. These are materials used in the manufactures of plastics. As people are probably aware here, where the location of the facility or the project is being proposed, just for reference, there's the Sable gas plant there. We've got the petrochemical facilities here, the Marginal Wharf. This is the LNG facilities, regasification, LNG storage here. We've got an LNG marine terminal offshore, for unloading the ships. And because of the power requirements, we've got a cogeneration power plant that's being proposed that will use the natural gas as fuel. Just a little bit on the company. Keltic Petrochemical is a private company. It was incorporated in March, 2000, headquartered in Halifax, and it's -- was established to develop a petrochemical complex here in Goldboro -- or in Goldboro. The original concept was to use the liquids associated with the natural gas coming from offshore Nova Scotia, and primarily with the Sable plant. Now they're looking at integrating that with some additional LNG, liquid natural gas, as feed stock and supply. They will extract the liquids from that material, as well as the Sable gas, and moving forward, looking at expansion as

future offshore resources come online. Maple LNG Limited acquired the LNG portion of the project in March, 2006. Maple LNG Limited is owned by 4Gas North America, as well as Suntera of Canada. 4Gas developed and operates LNG terminals worldwide. 4Gas has three specific projects that are currently in either construction or in the -- in planning process. Dragon LNG in Milford Haven, Wales is expected to be in operation in 2007. LionGas LNG terminal in Rotterdam expect to be in operation by 2009, and Le Verdon LNG in France expects to be in operation by 2011. In addition to the two main proponents, there are a number of international partners involved. They bring a substantial amount of expertise to the project, in terms of experience in petrochemical complexes, as well as LNG. They range from companies in the U.S. over to Russia, as well. As well, we've got a substantial number of local partners who are involved with the project. They bring a wealth of information on technical expertise here, as well as a regional understanding of the labour requirements for -- to build a facility such as this. So, I'm going to run through the components of the project a little bit



more. As mentioned, there is a petrochemical facility. It would include the materials, taking the feed stock, the liquids from the natural gas, the LNG, or the liquids from SOEI, and producing a product, a polyethylene or polypropylene, and using the Marginal Wharf for the export of that product to market. The LNG terminal itself will be used for the unloading of the liquid natural gas, and the regasification and storage of that gas will be on the site as well. Whatever -- the cogeneration facility will power the entire facility using the liquid natural gas -- or not the liquid natural gas, but the natural gas from the LNG. And whatever gases is remaining will be shipped to markets here locally and internationally, through the Maritimes Northeast system. As mentioned, the LNG terminal is a marine terminal that will accommodate LNG -- carriers up to 250 cubic meters in capacity. We'll have three 162,500 cubic meter LNG storage tanks. This is expandable to six, and this will increase the output up to 2 BCF per day, that's billion cubic feet of gas per day, as well as the regasifications that will occur. There's a couple of photos there of some typical tanks -- LNG tanks that are under construction,

as well as the LNG unloading terminal. A little bit on LNG safety. This industry has excellent transportation, storage and regasification safety records, stretching over many decades of this industry's -- the use of LNG and the transportation of that product. Terminals have been operated near populated areas for more than 40 years, without a single serious safety incident occurring. They have strict design and operation safety standards, which are applied worldwide, as well as here in Canada. And these type of facilities are subject to independent third party review, and an inspection of all aspects of LNG -- of other LNG product -- project. A little bit on the petrochemical complex. This petrochemical complex will include an ethylene cracker. It will include high density low -- linear low and low density polyethylene plants, and a polypropylene plant. You can see there's a photo there of a typical cracking furnace, what that may look like. As it's stated, polyethylene and polypropylene are, really, base products, for the production of a number of products. They range everything from automobile parts to construction materials such as roofing and tiles.

They're used in a wide variety of consumer products: films, toys, medical devices, packaging materials, clothing and carpets. Here are another couple of examples of the type of structures we're talking about, the type of facilities. There is a typical reactor there, as well as a kind of a conceptual plant layout. Again, another polypropylene reactor, and here are some storage tanks currently under -- not here, but under construction at another site. As mentioned, the -- because of the power requirements of the -- for the facility, it would be -- instead of being reliant on Nova Scotia Power, and drawing power from the grid, the project will use a power plant -- a cogeneration power plant, that will use the natural gas as fuel. This power plant will product electricity to fire the plant, but as a byproduct, it also produces steam and heat. This steam and heat will be used in the processing itself, as well as heating the facilities. In addition to the actual manufacture of these materials, there is the transportation logistics associated with shipping the materials to market. What you see here is kind of a storage silos. It's for transportation. The product will be shipped both by sea and land. The intent is to

have storage and shipping logistics on the marine terminal, as proposed. Also associated with a facility of this size is a number of utilities and services, that would include water supply and treatment for processed water. There would be a number of underground infrastructures required, including storm water management systems, piping, that kind of thing. There would also be waste water treatment for storm water, for centre sewage and process water. And, of course, the facility itself would have dedicated fire and security services right on site. And, of course, there's a regular road and maintenance -- and property maintenance that would be required at this type of facility. I guess the question is, why Goldboro, why this area? There's a number of reasons. Nova Scotia, in general, is well suited, geographically. It's got a good position, in terms of worldwide LNG supply, as well as good access to markets for end products. We included a table here in the presentation, and you can see that any LNG that's coming from areas such as Africa, Moscow, Middle East, it's much shorter to ship to Nova Scotia, to Eastern Canada, than it is to, for example, two other LNG terminals, one in Cove Point,

Maryland, and the other one in Sabine Pass in Texas. So, there are distance advantages of having an LNG terminal here. As well, we have easy access to the Northeast U.S. market, as well as markets in Canada, for finished products. Another large advantage here, of course, is the Sable and the Maritimes Northeast Gas infrastructure that's currently in place. The idea with a petrochemical facility, initially, was to use the liquids -- and it still is, to use the liquids from the Sable facility, and then, with the LNG coming on board, to supplement those liquids. That makes that gas available to markets both here locally in Nova Scotia and New Brunswick, as well as transportation and sale to markets in Northeast U.S. Another advantage of the location, obviously, is the Municipality of Guysborough has zoned -- or created the Goldboro Industrial Park. This is zoned for heavy industrial use. This was done a number of years ago. This is -- the intent of the park and the zoning was -- it contemplates oil and gas development and petrochemical complexes specifically for this -- you know, for these type of developments around the Sable complex. The industrial park currently contains a SOEI gas plant and

the Maritimes Northeast system facilities. It also has corridors for future offshore natural gas, such as Deep Panuke, when that project proceeds, or other projects come on board, and it also contains an ice free deep harbour for ship transportation. So, I want to talk to you a little bit about -- now that we got through the project, we're going to talk a little bit about the EIA, how we develop an EIA, what it means, what it's used for, and what -- generally, summarize some of the findings for the environmental assessment. Just to explain EIA, it stands for environmental impact assessment, and essentially, an EIA is a planning tool. It's used to determine how a project would affect the people, the environment, and the local economy. It would also -- it also assists decision makers, such as government agencies, permitting agencies. In terms of the -- can the project proceed? Does it need certain conditions? Does it need additional permits that may be required for the project, as it moves forward? It also helps refine project design. For example, if there are, in the -- through the evaluation and the environmental assessment, we determine that there are unacceptable environmental effects, we would go back,

redesign certain aspects of the project, to ensure that those environmental effects are acceptable. This is just a bit of a conceptual model, in terms of how we conduct EIAs generally, as practitioners. We look at an environmental setting. We then look at what those interactions are of the project on the environment, but in converse, we also look at what are the effects of the environment on the project. We have to take into account things such as waves, tides, winds, those type of things. This is applied to a preliminary project concept, and as I mentioned, we would apply mitigation to the project, or ways to minimize the environmental effects, to come up with the final project design, and include monitoring in that, to ensure that the predictions that we make are accurate. The EIA that we're currently involved with here is guided by a provincial environmental assessment process. As the Chairman indicated, this is through the Environmental - - Nova Scotia Environment Act, specifically Environmental Assessment Regulations. This project was designated as a Class 2 undertaking. It was registered with the Province on January 12th, 2005. The Province then developed the terms of reference, which guided the

development of the EIA. And this EIA is now subject to a review by the Environmental Assessment Board, who was introduced to you this afternoon, and public hearings, which obviously here we are today, to talk about, and to participate in. As the Chairman also mentioned, this is -- project is subject to a Federal review under the Canadian Environmental Assessment Act, or CEAA. There are a couple of law list triggers associated with the issuance of approvals for the project, specifically with Fisheries and Oceans Canada and Transport Canada. Under this process, Environment Canada, Natural Resources Canada and Health Canada have declared themselves as expert authorities. They'll be providing insight, or a review of the project. What we need to generate for the Federal review process is called a Comprehensive Study Report, or a CSR. That's currently in process, in terms of being produced. And hopefully we'll produce -- we're proceeding in parallel with the Provincial process. In both these processes, we're trying to maintain in a parallel fashion. So, what are the major EIA elements? First of all, we need to assemble baseline information, conduct field surveys, collect data in the field. From that information, and



through consultation, we develop a list of environmental issues. And this is what we call issue scoping. A large component of the issue scoping is consultation. Consultation with the public, with regulatory agencies, with First Nations, with stakeholders. It should be mentioned here that Keltic has, I think, performed in excess of 13 open houses in the local area, to talk about the project, to gather that kind of information, to get feedback from the public. We then look at the effects of the environment on the project. As I mentioned earlier, we look at the type of environment the project will be built in. What can it be subjected to, with respect to meteorological conditions, wind, waves, tides. We then look at what we call Valued Environmental Components. And I'll come back to these in a minute, but these are really the focus of any EIA. The Value Environmental Components, or VECs, really make -- really focus the EIA, in terms of evaluating potential effects. Each of these VECS has a temporal and spacial boundary. And what we mean by that is, for example, if we're looking at a certain species that has a migratory pathway, it's only there a certain time of year, we would evaluate what time of

year it would be. That would be its temporal boundary. A spacial boundary is, again, dependant on each of the specific VECs. It could be dependent on a very small footprint, where there's a physical interaction, or it could be a larger area, across, say, an air shed, if we're looking at air emissions, or those type of issues. We then look at the -- conduct an assessment of the impacts or effects of the project on these environmental components, and we determine the level of significance. If it's an adverse effect, is it a significant adverse effect? And we'll talk a little bit more about that in a minute. We then apply mitigation. Mitigation, again, is ways that we can design a project, or apply certain measures, that would lessen the environmental effects from it. And then we evaluate, after we apply mitigation, what are the residual effects? Are there any effects still remaining? And still, we evaluate those effects. Another component of an EIA is what we call cumulative effects. And this is an evaluation whereby you may look at one item associated with your project, but you also need to look at it in the context of other projects that may be occurring in the area at the same

time. An example of that may be, for example, dust. If you're doing construction on your site, and you have some -- generating some dust, it may be acceptable from your project alone, and may be acceptable levels. But if there's another project next door that's generating dust, and the two are combined in a cumulative way, the culmination of the two may become unacceptable. So, we need to evaluate other projects that may be planned in the area. As I mentioned, it's important to understand the environmental setting that we're working in and where the project will be developed. As a result, we conduct -- we've conducted a number of baseline surveys. These were completed in the area largely in 2004-2005, but we have studies going back into 2002, I believe, for some of the preliminary evaluations. These surveys include a variety of both physical and biophysical surveys. We evaluated things such as wetlands, we looked at fisheries, we have done extensive work with archaeology, we looked at ground water resources and well surveys, and we have looked at flora and fauna, basically plants and animals. We've also conducted quantitative analysis as part of the EIA. We looked at -- we evaluated water quality from

the surveys, conducted a number of tests there, and also have conducted some air quality modelling as part of the emissions from the facilities and generated a number of reports, which if anybody has looked at the EIA or the binders, we've included a separate binder of reports as appendices which detail a lot of the field survey work that we did. I'm going to talk a little bit more about VECs. I mentioned -- explained exactly what -- how we use them but -- and it requires a little bit of expansion, because this really is the focus of any EIA. As I mentioned, through consultation we've developed a large list of issues, and these could be anything that's been described or identified to the team as being an issue of concern. There are -- we then have to evaluate is it a VEC, and there are a couple of criteria. The first is, is there a pathway from the project? For example, if you're looking at a certain species and someone has a concern about a certain species in an area, we would go out and evaluate, does that species occur there, does it have the habitat that could support this species? If neither one of these cases occur, obviously there is no pathway for that project to interact with that species,

so it's not considered a VEC, we wouldn't consider it any further. Essentially, it's a way for us to refine a list and evaluate those things that are relevant to the project in the local environment. There also has to be a likely measurable effect. If we can't measure the effect on this environmental component, there's no way we can assess it. We also -- what is a significant adverse effect? Again, this is another test we use in an environmental assessment. We determine these individually for each VEC. As I mentioned, we determine spatial and temporal boundaries for each of the VECs, we look at the type of interaction with the VEC, is it a physical interaction, is there a displacement of habitat, is there a potential impact to its receiving environment, water or air. We determine is the effect adverse, in other words is it negative, are we having a negative effect on that particular component, and then we need to determine is that effect large enough to be significant. There is a number of ways to determine significance and these can range from regulatory limits, they could have provincial or federal guidelines that would say you can't -- you know, you can't have emissions over a certain level.

It could be also risk-based, something we call human health or ecological risk assessments which establish guidelines or establish standards which shouldn't be exceeded. Or it could be previously established guidance on various environmental components, things such as tolerance levels for toxicities or assimilative capacities for receiving environments. Guidance on significance is also provided for provincial and federal authorities. For adverse impacts or negative impacts, we determine the significance based on -- there are six criteria that we use. First of all, magnitude, how large an effect is it, the geographical extent, how wide an area are we talking, is it a very small area that the project is impacting or do we have to look at a much larger area. We look at the timing, duration and frequency, in other words how often does this effect occur. We look at reversibility, is that effect, you know, very temporary, is it something that will revert back to its current -- its previous condition. We take into account the ecological and social cultural context of the environment, and we look at the likelihood, is this likely to occur, is this something that could happen very easily on the project

or is this something that has a very low probability of occurring. We can't go through all the VECs obviously in the assessment, it's a very large document. If anybody is interested -- but there is -- here are all the project-specific VECs we looked at. They evaluate everything from land use to archaeological resources, to air quality, noise, surface water, ground water. I'll just give -- the conclusions of the environmental assessment, again, are in the document. I'll just go through a couple of examples here just to give you an idea of the kind of conclusions that we would have come to. Specifically for effects on fish habitat -- and here I'm referring specifically to the Meadow Lake impoundment that's being proposed -- there would be significant changes to aquatic habitat due to the creation of the Meadow Lake reservoir, I guess raising the level of Meadow Lake, but these would include both positive and negative effects to fish and fish habitat. So, we evaluated those and found that the effects from the project are expected to be both positive and negative and generally are not of significance and won't affect the populations locally or regionally. We also looked at effects on archaeological resources. As

probably some of you are aware, the Red Head cemetery -  
- of course any disturbance to a cemetery or  
archaeological resource has significance to the  
community and specifically a community involved with  
that resource. As some of you may be aware, the Red  
Head cemetery was exposed to some erosion issues and  
there was extensive archaeological work that was  
conducted outside the project itself to relocate those  
resources from that site, but there still maintains --  
there is still a high potential for archaeological  
resources to be encountered in that area, so we will  
continue with public consultation as well as monitoring  
during construction. Any time we're doing a  
disturbance in these high potential areas we would  
ensure that we evaluate and make sure that there -- if  
any archaeological resources are encountered we treat  
them appropriately. Also, effects on terrestrial  
habitat. You know, because of the project's footprint,  
because of the development of the project itself, there  
will be a small loss of habitat for terrestrial birds  
and animals, but this loss of habitat is not what we  
would consider critical habitat for these species and  
we're not expected to influence the long-term viability



or health of these populations either locally or regionally. Another one of interest, of course, to people is effects on transportation. Because of the effects of construction operations we expect there to be a significant additional demand on local traffic infrastructure. As such, we require or we recommend that additional traffic evaluations be conducted on the existing road infrastructure and likely there will be major upgrades required for the road. We're working with Nova Scotia Transportation and Public Works right now to evaluate what those upgrades would look like and what may be required. There are a couple of predicted residual effects which probably require a little bit more attention. First of all -- or what we would call significant. First of all, the -- under socioeconomic effects there are several significant positive effects associated from the local and regional economy. Essentially the project itself will contribute large dollars to the local economy through labour, through salaries, through taxation, through a number of venues. This is expected to be a major effect. Under recreational opportunities and aesthetics, the visual impact of the project -- obviously the visual character

of the site will change without a doubt, that site will not look like what it looks like right now, but one of the things that we have to weigh out is the relatively small number of receptors for that type of visual impact, the fact that it is planned industrial zoning in that area, there will be zoning -- there will be heavy industry that would be developed there, as well as the advantage of the project, what does the project bring to the local community and how does that offset that impact. And generally through that evaluation we can determine that the significance really is more of a medium significance and would be acceptable. I'll spend a little bit of time here just quickly on permitting and approvals. The idea is that the EIA itself is submitted for a review by the Department of Environment and by the Board, but there are a number of other steps as the project proceeds. Under the activities designation regulations of the Province of Nova Scotia there are a number of permits that would likely be required for the construction and operation of the petrochemical facilities, for the operation of the power plant, for the construction and operation of the water treatment facilities as well as a withdrawal

of water in excess of 23,000 litres per day. Also under the provincial regulations we're looking at the gas plant facility regulations which would apply to the construction and operation of LNG facilities. These are administered by the Nova Scotia Utility and Review Board, they follow the Nova Scotia Department of Energy code of practice for LNG facilities, which again are also based on a CSA standard, Canada-wide standards for the development of these types of facilities. There are a number of other provincial legislation -- pieces of legislation that apply, air quality regulations, waste water facility regulations, petroleum management regulations. In addition to the provincial regulations we have a number of federal regulations that apply, the Navigable Waters Protection Act, the Fisheries Act, Species At Risk, the Canadian Environmental Protection Act, Transportation of Dangerous Goods. As you can see, there is a number of federal -- pieces of federal legislation that also apply to the project and which govern the operation of it. One specifically worth mentioning is the technical review process for marine terminal systems, or TERMPOL. The project has initiated this -- the proponent has initiated this

process with Transport Canada. This review process looks at things such as operational ship safety, shipping route safety, construction and operation of a marine terminal. It also conducts what we call a quantitative risk assessment for system design and emergency response planning. This review is coordinated by Transport Canada but also a number of federal agencies participate in this process, specifically DFO and Environment Canada. And of course there are some municipal requirements as well for the development of the site. All applicable municipal bylaws would be adhered to. There are land-use bylaws for the development of these types of facilities in place, which the proponent has committed to abiding by. As mentioned, the site itself is currently zoned for industrial use.

THE CHAIR

Shawn, sorry, I'm just giving you a five-minute warning.

MR. DUNCAN

We're on the last one.

THE CHAIR

Thanks.

MR. DUNCAN

So, just in conclusion, all potential -- the EIA has concluded that all negative -- potential negative effects from the project can be successfully managed. There will be a requirement for application of mitigation and control features. There will be a requirement for compensation associated with some potential effects on wetlands or water courses, but generally these are all things that can be managed properly and can be carried out with no significant effect on the environment. The project itself will create employment through the construction and operations. It will also enhance personal income for people who are involved with the project, but also spinoffs in terms of supplying consumables and other support services to the project. The project is in compliance with the planned industrial uses of this location, and as well the Nova Scotia Department of Energy has developed an energy strategy for the province. The petrochemical facility and complex adheres and follows that guidance. It does meet the requirements -- or not the requirements but it does meet the strategy -- the aim of the strategy in terms

of the development of these types of facilities associated with offshore resources. The project can be constructed and operated in a safe manner. This has been demonstrated worldwide as well as here in Canada. This industry -- both the petrochemical industry and the LNG industry are one of the most widely regulated -- or highly regulated industries in the world. And, as mentioned, there are -- in addition to the EIA process and the hearings that we're currently involved with, there are a number of additional regulatory approvals and permits that are required for the project. The proponent has initiated some of those, some of those will continue as we move forward with the development, but as I said, this is not the last stop, this is initially the first step in terms of the project development, and from here we proceed with a number of permits and applications to various regulatory agencies. And that is it for the presentation. We're open and happy to answer questions.

THE CHAIR

Okay. Yeah. Thanks very much. So, at this point we have a good amount of time. Anyone from the audience who has a particular question for Keltic?

--- (No response)

THE CHAIR

Okay. Well, let me just -- I'll start off then with one.

KELTIC PETROCHEMICAL INC. - QUESTIONED

THE CHAIR

And, Shawn, I guess you or whoever is best able to answer. You mentioned that there are a number of partners associated with the project, some of the formal ones, companies and so on, but you had a list or a slide of local partners, and I'm just wondering what constitutes a partner exactly. Does that mean they have a formal financial relationship?

MR. DUNCAN

I expect that's true, but I think I'm going to ask Kevin Dunn to speak to the issue of partnership and the arrangements of the business model that Keltic currently has in place.

MR. DUNN

The Nova Scotia partners are shareholders of the company and they're also preferred contractors, but we'll have an open-book bid system and if they're not competitive they don't get the work but they're still a

40 KELTIC PETROCHEMICAL INC. - QUESTIONED

shareholder.

THE CHAIR

Okay. Thanks. Anybody from the Panel want to ask a question?

MR. GORDON

I'd once again remind people before they speak to identify themselves and speak directly into the mike for the sake of the transcription services. Thank you.

THE CHAIR

Okay. Let me continue on, then. It's Tony Blouin. I just wonder if you could clarify. You're using gas from the Sable offshore as an input to your petrochemical process and also the liquified natural gas, but it wasn't clear to me -- is -- the gas that's used for manufacturing your products, is that fully consumed or is it just that some of the applicable liquids are removed from it and the methane itself is then sent off in the pipeline or is some of it used aside from the cogeneration?

MR. DUNCAN

I'll ask Derek to speak -- expand a little bit on this, but the product that -- the gas that's being brought ashore as liquid natural gas is used in, as you



mentioned, the generation of electricity. The liquids are stripped from that for the petrochemical facility, as well as the liquids from the Sable gas. They would be accepted as part of the processing as well. Any gas that is not consumed by the facility itself will be sent out on presumably the Maritimes and Northeast system to markets, Nova Scotia and in New Brunswick, both to be used here by local distributors in New Brunswick and Nova Scotia for industrial and residential users for that gas as well as markets in the Northeast US. Derek, I don't know if there's anything else to -- yeah.

THE CHAIR

Okay. And maybe if I could just go from something you said there. Regarding proximity to markets, you mentioned what -- the local, you know, geographic location here as one of the advantages in terms of proximity to the markets, Canadian and US, but you didn't mention that there's an LNG facility in Maryland, and I'm just wondering would that facility not be closer to what's probably your major market in the US.

MR. DUNCAN

42 KELTIC PETROCHEMICAL INC. - QUESTIONED

I think, actually, one of the sites that we quoted in the slide is in Maryland, the Cove Point facility. It's closer with respect to some of the Northeast US markets for the end product, but really the -- what we require from the petrochemical facility is proximity to feedstock. That really is the driver for the development of any petrochemical industry. So, as a result we need to have proximity to a good supply of liquids. That exists here in Sable, we expect it would exist on future developments of gas from the offshore, and as well -- the way to supplement that as well is to bring in the LNG as proposed here as well. So, really the idea of locating a facility -- it does -- the key component is locating it close to a source of feedstock, of supply.

THE CHAIR

Okay. Yes. Just remember to use the microphone and please identify yourself.

MS. GAGNON

Chantal Gagnon with the Ecology Action Centre, Mr. Chair. Just regarding to that last comment, from my understanding there's as well a need to import petroleum byproducts as feedstocks for the

petrochemical facilities, so I'm just wondering where is that import coming from. Is it as well for the proximity regarding that? Thank you.

MR. PURVIS

My name is Dave Purvis, I live in Etobicoke, In Toronto. The natural gas that's landed contains a substantial ethane content and propane content. That is what we extract from the gas and we use that as feedstock to our petrochemical facilities. So, the ethane and the propane is pyrolysed in the ethylene unit and from that we make polyethylene and polypropylene. It happens that there's not enough propane in the feedstock that we intend to land, nor in the feedstocks from Sable or other potential gas sources, so we have to supplement the propane by importing propylene. So, we're bringing about 200 kilotons of propylene into the site to -- and we pyrolyse the propane to give us another 200 kilotons of propylene, but half of the propylene that we bring in is going to come in by sea and is probably going to come from Irving Oil. So, that's the plan. I should really indicate, too, that this whole concept is based upon building world-scale ethylene and polyolefin

facilities, much bigger than you see in the United States. An example of that is Joffre where there's a world-scale ethylene complex -- that was the photograph you saw -- world-scale polyolefin units. They're very cost-competitive, so the plan around Keltic was to build world-scale facilities that will produce low cost products that we could export into the United States and also use within Canada based upon low cost feedstocks either from the gas sources off the East Coast or, in the interim, from the LNG itself. So, I think the answer to your question is -- it's a long-winded way of saying it, but yes, we do bring in petrochemicals, one of -- the predominant one is propylene and it will come from local refineries on the East Coast.

THE CHAIR

Okay. Maybe if I can just ask another one. In some local press coverage of the Sable gas and kind of the current state of the offshore gas resource here it indicates that -- from what I've read, that the lifespan of those resources may not be as long as had originally been projected, so we may be talking about -- a decade or two, perhaps, are the figures I've seen

for Sable gas. If that's the case and Sable gas does run out within that time frame, and if there aren't further offshore gas discoveries here, would it be your intention to keep the facility operating using a larger proportion of LNG import?

MR. DUNCAN

Well, I expect that that's exactly the case. The idea of the LNG is, again, to supplement the existing gas resources that we currently have available for Sable, but we are fully confident that there will be additional offshore reserves developed. Regardless of maybe the news in the press, there are resources available, a lot of it is dependent on economics, and we fully expect that those resources will be developed in the future. The value added that this project brings as well is that, as you mentioned, in the unlikely event that there are no more reserves or the reserves are depleted faster, we do have a source. This is a way for the current oil and gas infrastructure to be maintained and to be used by importing the LNG. Therefore, you've got a transmission line, you've got a source of gas for local markets, for local users and for transportation to

46 KELTIC PETROCHEMICAL INC. - QUESTIONED

markets in the US. So, in a way the LNG does supplement what's currently in place, but as I mentioned, we expect there -- fully expect there to be additional resources discovered offshore that will add to the benefit of the project as well.

THE CHAIR

Okay. Thank you.

MS. GAGNON

Chantal Gagnon from the Ecology Action Centre again. Mr. Chair, just wondering -- the liquified natural gas to be imported, has it -- the supply been guaranteed or -- and where is it coming from? If the distance is coming from Russia or coming from Africa, it would be important to know. Thank you.

MR. DUNCAN

I guess I'll ask Derek Owen from MapleLNG to respond to the questions about the supply end.

MR. OWEN

Okay. Thank you, Mr. Chairman. At this stage there are many possibilities for the supply worldwide, and at this stage of the project there's no definitive contract in place. If I can just go on a little bit here. The strength of MapleLNG and its majority

shareholder for gas is that they have a totally unique concept insomuch that we develop -- our sole business is to design, develop and operate LNG terminals in strategic locations right throughout the world. And as you saw from the presentation there, not only are we looking at Goldboro but we have one in South Wales, we have one in Rotterdam and we have one in France, and there are others that are currently under evaluation. And the concept -- the fundamental concept is that we are able then to offer the worldwide sources of LNG at multiple locations where they can land their LNG. So, we are not a vertically-integrated process in terms of having our own LNG and supplying it to our own terminals. So, we have a selection of worldwide terminals in strategic locations that are then available to take advantage of the broad LNG market right throughout the world.

THE CHAIR

Okay. So, it's fair to say then the basic answer to the question, though, is that at present there is no contract in place for supply?

MR. OWEN

That is correct.

THE CHAIR

Okay. I have just one final question on this presentation. You mentioned the necessity for road upgrades for access to the facility, and I assume that's both for construction and for operation and shipment of product and so on. And I'm wondering, is there any agreement between Keltic and the province as to funding those road upgrades? In other words, would Keltic be providing funding to those and do you have the necessary permits and land acquired and so on for road upgrade or construction?

MR. DUNCAN

Just a short answer to the question. I don't believe there are any arrangements in place for that. We are having ongoing consultation with Nova Scotia Transportation and Public Works about the extent of road upgrades that will be required. It probably doesn't hurt to explain, too, that as an initial part of the project a new road alignment was proposed originally, Transportation and Public Works advised that they would like to re-evaluate that and would like to look at existing road infrastructure, to upgrades as opposed to a brand new highway alignment. So, the



proponent has agreed that we would work with Nova Scotia Transportation and Public Works to determine what would -- what are the upgrades to the roads that would be required. In terms of the funding arrangement nothing has been arranged and that really is, you know, further discussion, I guess, with the transportation department about what that may involve. But generally the maintenance and upgrades of roads are the jurisdiction of Transportation and Public Works. We would rely on them to properly, you know, determine where those road upgrades would be required based on their standards and requirements, not only for the project but for the general area as well, and we would work with them to determine how we could go about evaluating those for the project itself.

THE CHAIR

Okay. Thanks. Anybody else from the audience that had a question that they wished to ask of Keltic?

--- (No response)

THE CHAIR

Okay. That being the case -- we're a little ahead of schedule. That's good. The next presentation is by the Municipality of the District of Guysborough. As

host municipality, Guysborough had requested a little bit of extra time, a little more than we would normally allocate for a presentation, but as I say given that they are the host municipality, we felt that was fair. So, they do have, I believe, a number of speakers who are going to do different parts of their presentation. So, as we did for Keltic, I'm going to ask Jim Gordon to swear in the group who is going to be providing the presentation for us.

---

THE MUNICIPALITY OF THE DISTRICT OF GUYSBOROUGH PANEL

WARDEN LLOYD HINES, (Sworn)

MR. BRADLEY MACLEOD, (Sworn)

MS. SHEILA PELLY, (Sworn)

MS. DEBBIE TORREY, (Sworn)

MR. GARY CLEARY, (Sworn)

MR. DAN MCDOUGALL, (Sworn)

THE CHAIR

Okay. They're just -- they're having a little bit of a problem with the proponent's projector, so they're just going to substitute their own here. We'll just give them a minute to complete that.

RECESS: 2:31 P.M.

RESUME: 2:37 P.M.

THE CHAIR

Okay. I think we have it here. So I'll invite Guysborough to start their presentation. And if you'd just introduce yourselves as you come to the microphone, please.

MUNICIPALITY OF THE DISTRICT OF GUYSBOROUGH PANEL -  
PRESENTATION

WARDEN HINES

Thank you very much, Mr. Chairman. Ladies and gentlemen, my name is Lloyd Hines. I'm the Warden of the Municipality of the District of Guysborough. There's nothing like a little drama at these things, especially when the technology doesn't work. So we -- that was all planned, of course, as part of the -- as part of the process here. Am I getting this mike? Can everybody hear me? Well first of all, Mr. Chairman and Panel Members, Mark and Jim, I'd like to welcome you all to the Municipality of the District of Guysborough and thank you very much for opening these very important hearings in the Municipality. As I said, my name is Lloyd Hines. I'd like to introduce the folks who are with me here today that will be speaking.

First, Mr. Dan McDougall, who is CAO of the Municipality. Next to him is Councillor Bradley MacLeod, who is the -- has the great distinction of being the Councillor for District 7, where the Sable project resides and where this project will reside, and where Encana is right behind this one coming in. Just behind Bradley is Councillor Sheila Pelly, Councillor for District 2 of the Municipality, who will be speaking to the panel today. Next to her is Gary Cleary, who currently is our Director of Solid Waste Management, but in a recent previous incarnation was the Director of Planning for the Municipality. And we appreciate you letting us add him to the list because we think he brings some good value to the presentation today. And we have our current Director of Planning, Ms. Debbie Torrey, with us today. In thanking folks for coming today, I want to thank the people who have joined us here today. And in particular, I'd also like to invite -- to introduce Councillor Blair George, another Councillor on our Council, who has taken the time to show his interest and be with us here today. And I want to thank the citizens who have come out here today and have come out on many other occasions over

the past five or six years and shown interest in this project. And most particularly I want to thank the people in Isaac's Harbour and Goldboro, who have been poked and prodded and turned upside down and gone to public hearings and who are the real people who will feel the impacts, positive and negative, of this project as it moves ahead. And their patience and help over the last 10 years, starting with the Sable project, is just tremendous, and I want to thank them very much. I just want to talk a little bit about the Municipality and what a great opportunity this is for us to tell you folks who we are here in Guysborough Municipality and in Guysborough County. The Municipality was incorporated in 1879. Prior to that time, Guysborough and Antigonish were joined in Sydney County, which was the previous designation prior to that time. There are seven Members of Council on our Council -- the Warden, and six other Councillors. Now, just to give you the -- the difference between a Warden and a Mayor is a Mayor is elected at large by all the citizens in the jurisdiction. A Warden is elected as a Councillor in one of the wards or districts, and then there's a second election held at the first meeting of

the convened Council where the leader of the Council or the Chair of the Council is elected, and that person becomes the Warden. So I always like to tell Peter Kelly, my good friend, that I had to go through a second level of stewardship to get to where I'm at. He just had to go through one election. In the 2001 census, the population in our Municipality was around 5,100 souls. We are a fairly large geographic municipality at 2,111 square kilometres. Our population density is 2.4 per square kilometre. The provincial average is 17.2. And if you do a scan of the country, that population density puts us in a very rare company, because there's not too many jurisdictions in the country that have much less population per square kilometre than we have currently. District 7 includes Goldboro and Isaac's Harbour, where these facilities are proposed for. We're very blessed in Guysborough County because we're so marine. Over 513 kilometres of coastline. Beautiful coastline, I might add. And also in -- when the wilderness protection areas were set up in the province, though the provincial average is five percent of the total land mass of the province, we're doubly blessed here in

Guysborough because we have 23,000, almost 24,000 hectares of wilderness protected area in the Municipality, which is around 11.34 percent of the Municipality. In setting up the county, which you see in the green there, the folks of the day who were doing this thought, "Well, gee, that's a pretty big area." As you see, the County is 4,000 square kilometres in size. The only larger county in Nova Scotia is Halifax County, which has around 400,000/450,000 residents. And remember, we have 9,800 in the Municipality, to give you some context. So the County was split in two, almost evenly, in terms of both -- and as it turns out, in terms of size and geography. And the Municipality -- our sister Municipality, where I'm very pleased that you're going to be at tomorrow, I think, at Sherbrooke -- and I'm really pleased to see you over there -- they're the western part of the operation, and we're the eastern part. And then in 1901, the Town of Canso was incorporated as a Town under the Towns Act of the Province of Nova Scotia because of the things that were happening in Nova Scotia and eastern Canada at that time. The fishery was abundant. That was just the end of the age of sail and the beginning of the age of

steam. And so that led to significant populations occurring at coastal areas around Nova Scotia, and the Town of Canso came into being at that time. In 1922, again because of the fishery -- and Mulgrave has a long fishing history -- but also because of a very significant piece of infrastructure that we take for granted but didn't exist at that time, and that was the Canso Causeway, the causeway was represented by ferries that took the coal in particular -- the rail ferries that took the coal from Cape Breton in its export journey, and that made Mulgrave a very important town, and we got another center of population there, and that incorporation came into effect in 1922. So in the -- this vast geography that is the County, we have four municipal units, 26 politicians -- how could people be more lucky, right, than to have so many politicians -- and four administrations, and unfortunately, we are now seeing the significant depopulation of our areas and the struggle for all municipal units in the province to maintain their integrity and provide good chief services to their rate payers. I want to give you a little idea about how we see ourselves, and this is one of the things that we're quite proud of in the



Municipality, and that is getting municipalities to talk to each other civilly. It sounds like it would be hard? Well, sometimes it is. Municipalities tend to be fairly territorial. And we know that companies like you have here before us tonight, and even this panel, are less interested in the local politics of the matter than they are about the facts and what can happen. So we initiated and helped put together a charter to create the Mayors and Wardens Committee, which is the -- eight of the nine municipalities that border on the Strait and are affected in particular by this project. The only one that's not represented there is the Town of Canso, who elected at the time, several years ago, not to participate for fiscal reasons on their part. We found that that -- this platform has been excellent in terms of communication, in terms of understanding, and in terms of working together, because we see what we are as part of a greater region. And I think that this project has so many regional impacts, along with provincial and interprovincial impacts, that at the core of that is a solid understanding and a platform that we have working away here through our Mayors and Wardens Committee -- we meet probably six times a year

-- to work on regional initiatives such as planning, and that would include discussions about this project, a water strategy for the region and advocacy on important matters such as highways, and in particular, for instance, the twinning of the existing TransCanada Highway from Pictou County to the Strait. So I guess that's all I have to say for now. And I'd ask Councillor Bradley MacLeod from District 7 to come forward and address you.

MR. MacLEOD

Good afternoon. First of all, I'd like to welcome the Board to Guysborough, the natural gas capital of Atlantic Canada. My name is Bradley MacLeod, and I am the Councillor for District 7, where the proposed LNG facility and petrochemical plant will be located. Do I support the project? Yes. A hundred percent. Do I feel that the environment will be protected? Yes. With the proposal and technology that Keltic has put forward and with the oversight this board provides, I feel that there will be limited effects on the environment. Does the area need these kinds of projects? Yes. The economy of the area is dying. Young families are leaving the county. Schools are

being closed. Services are being lost. Hopefully this project will give us some badly needed jobs, some more infrastructure that we can build on, bring some of our young families back to the area, and still make our Municipality and County the best to live in. Projects like this can interact with the beauty that we have in the Municipality. Sable is a good example of this. With additional tax revenues to the Municipality from this project, in my district alone, we have created a walking trail approximately two kilometres from the Loyalist site, upgraded the Goldboro Wharf, helped fund the Goldboro Interpretation Centre, upgraded the Isaac's Harbour Fitness Centre, provided street lights to local communities, and helped fund a new playground in the Country Harbour area, and provided much more funding to other community groups. The local volunteer Fire Department has also been a big winner because of the Sable project. They have purchased five new trucks, built some new halls, and upgraded their fire fighting equipment so that they're able to provide fire and emergency services to the residents and businesses. This shows that large projects can benefit the Municipality and help make it a better place to live

while still making sure the environment is also looked after. Keltic has shown through their open houses that we can all work together safely and make this a better place to live in. Thank you for your time. And like I said at the beginning, welcome to Guysborough. Thank you.

WARDEN HINES

Thank you very much, Bradley. I'd ask Sheila to come forward, please, Councillor Sheila Pelly.

MS. PELLY

Hello. My name is Sheila Pelly, and I'm Councillor of District 2 of the Municipality of the District of Guysborough. I represent the African Nova Scotia communities, which is Sunnyville, Lincolnville and Upper Big Tracadie. I'd just like to tell you a little bit first about how we got a representative on Council. I guess in 1994, we looked at the need that -- we had a substantial amount of African Nova Scotians living in the County of Guysborough, and we didn't have a representative on Council. So this was taken to the Municipality, and of course then application was filed with the Utility Board, and in 1944[sic], we had a representative at the Nova Scotia -- on Council. I'm

proud to say that I'm the second one that's been elected, and the first woman, and we've had a representative on Council now for about -- probably about 12/14 years. Some of the issues that we encountered was probably not being a part of everything that was going on in the Municipality, but with the African Nova Scotia representative like myself, I'm able to see what's going on. We've been able to have members on the Keltic Liaison Community Committee. We have a representative on that. We have membership also on the Industrial Liaison Committee, which is an African Nova Scotia. We also have representation on the Landfill Liaison Committee. These are all things that can come back to the African Nova Scotia communities as -- like, coming first handed from our own people, and this is a great asset to the African Nova Scotian communities. Employment opportunities, we also have our African -- Antigonish/Guysborough Black Development Association, and right now this association is funded by Human Resources Development Canada, and we have someone that can go out and see what employment opportunities are out there with Keltic or with any other company and able to come back to the African Nova

Scotia communities and say, "There's opportunities out there. These are the kind of trades that they're looking for. These are the kind of people that they're looking for. Can we help you get educated to get into these trades, to get into these positions?" So all of this has been an asset to the African Nova Scotia communities. Also, our RedHead project, I'd like to just go on and mention that a bit. The RedHead project was at the -- was being washed out to sea. This was probably about five/six years ago. So the Lincolnville Development Association was confronted by someone at the RDA Board and asked if they were interested in taking this on as a project. So myself and three other community members, we went and we started looking at some funding, what needed to be done, and took on this as a project. It turned out to be a hundred thousand dollar (\$100,000) project. We're happy to say that the Municipality gave us our first twenty-five thousand (\$25,000). Northeast Pipeline also gave us ten thousand dollars (\$10,000). And then we worked on fund raising for the rest. With this, we were able to have the graves -- the bodies retrieved, reburied in the Bayview Cemetery in Goldboro, where the grave sites

were given to us free of charge. The only thing that we had to commit to was giving a little donation to help keep the graveyard up to par during the summer months -- the grass mowed and that kind of stuff. Each year we have a memorial service, which is funded by the Lincolnville Community Development Association. All these are issues that happened in the Nova Scotia -- African Nova Scotia communities, which I think are resolve issues. The issues now that we look for is making sure that we are part of employment with the Keltic liaison -- with the Keltic community if it should come to Guysborough, and to be part of everything else that goes on with the Municipality of Guysborough. So I'd like to thank you for your time and -- thank you.

MR. McDOUGALL

We wanted to talk a little bit about how the Municipality is currently organized to provide services ---

THE CHAIR

Sorry, for the record, could you just ---

MR. McDOUGALL

Dan McDougall, Chief Administrative Officer for the

Municipality. So a little sense of how we're currently organized to provide services and some of the planning effort that's ongoing with sensitivity to the growth potential that industrial projects offer and sensitivity to the decline that we're currently experiencing in the Municipality. With respect to policing, there are 11 officers in the County. Seven of those officers are funded by the Municipality of the District of Guysborough. That's a fairly high resource based on our population and other indicators, and Council intentionally has funded that resource in order to be able to respond to both the SOEI project as well as future industrial development. With respect to fire services, it is a volunteer fire service in the Municipality. There is support through an operating grant, but a good portion of their funding comes from an area rate that's also approved by the Council. There are 11 located within the Municipality and three that provide service from outside of the Municipality to our residents. We're currently conducting a fire services review with third party consultants to establish minimum core level of service that we'd like to see provided to all our communities including both



our residential and business community, and that will include a look at the -- how fire departments need to be resourced to address any service required in our industrial parks. We also have an emergency measures organization. Of course we try to be in a state of readiness to address all risks, including industrial risks, and we are a member of the Regional Special Hazards Response Unit. The counties, I think, from Colchester north to the Strait are members of that unit. That provides us with access to specialized services like high-angle rescue, etc. With respect to inspection services, we provide building and fire. Building and development permits of course will be required. The onus is on the proponents for the project to do the majority of the work there by providing us with approved designs and a plan. So that will be a requirement of the project. In terms of our water and waste water services, we are currently working with an engineering consulting firm developing a blueprint for water and waste water initiatives in many of the communities in our Municipality. It's assessment of the need and the opportunity to provide either central services, cluster services, or perhaps

some innovative on-site or community-based water and waste water initiatives. Those engineers are looking at the Goldboro and Isaac's Harbour area. There'll be a look to determine if there's a way we can capitalize on the infrastructure that will be built by the proponents in terms of providing good quality water and waste water services in that area. And while we are small, we were the winner of the first InNOVA Award. That's a provincial award for innovation in local governments. To give you a sense, there was only 155 equivalent units in our little Dover Waste Water Project, but we were able to provide that service in a way that's cost effective and I guess helped achieve the environment -- you know, safety to the environment required by the Department of Environment. In terms of recreation, we have three new major recreational facilities. We have a fitness centre, a swimming pool and tennis courts in Guysborough. We partnered with the Department of Education and have added those facilities on during the construction of the school. There's also a fitness centre that we partnered with a community group in Isaac's Harbour, and another one we just opened in Little Dover in the school. We'd like

to -- part of the reason why we're working on our recreational facilities is, of course, the health benefits and the social benefits to our residents, but also to offer competitive communities for folks that might be locating here associated with these projects. We also have other new programming initiatives. PACAY just stands for Physically Active Children and Youth, where trying to offer programming for all sectors of our residential population from youth to seniors, and are working now on a civic centre project that would see a multi-purpose civic centre including skating surface, walking track, library perhaps, and other facilities in the Municipality, again to enhance our recreational services, but also to create a competitive community, so it's community development as well as recreational services. With respect to transportation, well the majority of the responsibility in our Municipality is provincial. We are working on a local road policy that will make our Municipality hopefully supportive of residential development by considering a takeover of new subdivision roads or private roads so that we can capitalize on the residential development opportunity in the Municipality. Of course we also

provide many other services, including administration and finance services. I wanted -- I'd like now to turn it over to Gary Cleary, our Director of Solid Waste, to speak to our solid waste services.

MR. CLEARY

Okay. Thank you very much, Dan. My name is Gary Cleary, and I work as Director of Waste Management for the Municipality. Also, I reside in the community of Guysborough-Intervel which is about 15 kilometres from the Village of Guysborough where these hearings are being held. I'd like to thank the Board for giving me the opportunity to speak on waste management. Waste management is a responsibility of the Municipality of the District of Guysborough, and it's a responsibility that we take very seriously. We supported a Provincial Waste Management Strategy, which began implementation by the Province about 1995, and since that time, we have been involved in most major projects that the Province has undertaken. I guess to start off with, we were one of the first municipalities to implement a blue bag collection program, which we hope is beneficial to all our residents. We've also implemented a clear bag program, which we understand a

lot of other municipalities are now taking the lead that we took on that initiative. And I guess our biggest initiative was to construct what is referred to as a second generation landfill. And that second generation landfill is a double-lined full containment landfill that is designed to accommodate about 70,000 tonnes of waste a year and services two waste regions. And that includes all of Cape Breton and Guysborough County, Antigonish County and Pictou County. So it's a huge undertaking for our Municipality. The facility is operated under guidelines and operation permits from the Department of Environment. We also of course had the largest environmental engineering firm in the waste business involved in our design and operations, and they designed our Operations Manual which we currently operate under. And those -- between the operating permit and the Operation Manual, there are very strict guidelines and testing and very tight control under the materials that can be accepted. In addition to our second generation landfill, we operate what we refer to as a diverted materials facility, and I guess it's that facility that we expect will be impacted most by the Sable project. The diverted materials facility handles

waste woods and scrap metals, packaging, asphalt shingles, recyclable materials, organic materials, and all of those are processed for re-use on the surface. The residual materials go to the second generation landfill. The waste management facility does not accept materials that are identified as hazardous waste, so there will have to be separate management plans for hazardous waste materials. And those would be materials that are identified under our provincial dangerous goods transportation. And those would be -- the materials not permitted at our site would be explosive type materials, flammable type, combustible type, radioactive, corrosive, oxidizing materials, and anything that would be hazardous in nature. So our facility primarily handles what is referred to as municipal solid waste, but it certainly will play a large part in the Keltic project. What we are requesting is that a comprehensive waste management plan be presented by the proponents, and that will be -- that will be mentioned at the end of our presentations. The examples of the types of things that we will be looking for in a comprehensive management plan are the types of materials generated,

the quantities of materials generated, the types of treatment that will be proposed, the transportation of those, the training and education that'll be provided for the people handling those waste materials, the programs, and an actual final destination for all materials generated on the site. So I would like to again take the opportunity to thank the Board and the proponents for hearing what we had to say on the waste side, and thank you very much.

MR. MCDOUGALL

Okay. In terms of now our industrial strategy, some of the reasons why Council embarked upon industrial strategy process, population decline in the municipality was 13.1 percent from '96 to 2001. So that's the last two censuses, and 29.6 from '76 to 2001, so pretty rapid decline in population. The last census, in fact, I think the municipality was the highest -- had the highest decline of any of the 55 municipal units in the province and, I think, in the top, unenviable top of the list across the country. The unemployment rates in the municipality was recently pegged at around 33 percent in an economic outlook study that was conducted by the Regional Development

Authority. There has been significant job losses in the municipality. A couple of industries where that has been particularly acute have been fishing and forestry. There's been processing, a lot of fish processing jobs have been lost in the municipality and the mechanization of the forestry has reduced the opportunity for employment for residents. Our household income is well below the provincial average at thirteen thousand eight hundred and fifty. The median income for residents in Guysborough is about 25 percent lower than the eighteen thousand seven hundred provincially. Folks -- not only are people leaving the municipality but they're in the prime age group that help build your community. They're the volunteers, they're the folks with income. The 25-54 age group are declined -- percentage of our residents is 17 percent below the Nova Scotia average, so we have more youth and seniors than many other communities. This obviously causes a threat to our institutional sector, schools, hospitals, etcetera, to our commercial sector, and a couple of examples would be the recent closure of the New Harbour School, that was a school built for 500 residents and it was closed with 14 students remaining.



Gas stations closed recently, to give you the sense of the out-migration or impact on our community of economic decline, and a bowling alley, another recreational opportunity lost to our residents in terms of benefits. So I guess those are the primary reasons why the Council is so focused on industrial development. Something has to be done. It's as much about community sustainability as anything else. If these numbers aren't reversed, then continued decline and threats to those sectors will occur. I would like to also have a reduced dependency on a residential tax rate. In Nova Scotia, the commercial taxes are used to provide services to the commercial sector but also to subsidize the residential sector. We'd also like to diversify our economy, so we're still fairly dependent on the fishery and the forestry, the energy industry is a new sector that the Council is focusing on. We've also done citizen surveys with our residents. Every five years or so we've conducted scientific surveys. You know, we get the -- we have a quantitative methods expert conduct them for us and we've strong feedback to Council that jobs and the economy are high priorities. I'd also like to strengthen our tax base. So those are

the real reasons why Council is so focused on residential development. A quick point on taxation, I guess I'll jump to the last bullet in the interest of time, with commercial tax base there's benefit for all municipalities in the province, not just for the host municipal units. To give you an example, a million dollars in tax revenue will save approximately two hundred and twenty-nine thousand dollars (\$229,000) for every other municipal unit in the province, proportionate to the size of their tax base. So for HRM, for example, if we had a million dollars new tax base, they'd save perhaps a hundred to a hundred and twenty thousand dollars in education costs. We thought it was important for the Board to understand that the taxation benefit doesn't just reach the Council here, it reaches all the municipalities in the province, and fairly significantly. Next, I think we'll talk about industrial strategy and how we've responded to that with our land use planning programmes and services, and Debbie Torrey will provide that section of our presentation.

MS. TORREY

Hi, my name is Debbie Torrey and I work currently as

Planning Officer for the Municipality of Guysborough. The first point we'd like to make that land-use planning is a policy decision of Council to guide all future developments in the municipality and to signal a desired development plan. Council understands that zoning both encourages and discourages development activity depending on the zone. For example, industrial zoning encourages industrial activity and discourages other developments not compatible in that particular zone. In 2004, Council adopted an industrial strategy for the entire municipality which resulted in a review of the industrial zoning in both Goldboro and Melford. One area of concern for Council was lack of marine access for both of our industrial nodes. That resulted in bylaw amendments to establish zoning appropriate for LNG gas processing and petrochemical and power generation facilities, oil refineries and marine terminals and wind farms. Council followed a process and conducted hearings as a result of those bylaw amendments. Special provisions were also developed and buffers were established to minimize the impact of industrial development on the local area. Any development permits that would be

issued, the proponent would have to be in compliance with those land-use bylaw requirements. Just an example of the public consultation process, there were three meetings, public meetings, held in Goldboro. The first was an open house information session that was held around the time of the development of the industrial strategy for the entire municipality. The second informal public meeting was the Council went back to the community with information in relation to the bylaw amendments that were being proposed for the District No. 7 planning area. And the third public meeting was the formal public hearing process for the adoption of those bylaw amendments. The Council also annually budgets funds to acquire strategic private lands. In our municipality, we have approximately 21,000 acres or 4.02 percent of the municipality that's zoned industrial. The actual portion in Goldboro of those lands that are considered active would be 800 acres or .0015 percent of the municipality. Council -- members of Council and staff also took trips to Joffre and Houston. They toured the petrochemical LNG facilities and met with local officials to familiarize themselves with the industry. For our two industrial

parks in the municipality, Goldboro consists of approximately 7,000 acres of zoned industrial land. The industrial park is owned by the Municipality of Guysborough with approximately 800 acres considered active or, again, .0015 percent of the municipality. Our Melford Industrial Park consists of approximately 14,000 acres that are zoned industrial with less than 500 acres considered active. A comparison for this would be in HRM, Halifax Regional Municipality currently has 12 industrial parks with over 8,000 active acres.

MR. MCDOUGALL

Just another aside to let the Board know that while the purpose of this hearing is focused on the Keltic project, the Council also commits considerable resources to other economic development activities so that we have a diversified economy. There is investment in tourism as well as fisheries through a wharf policy, and Council has a fairly generous capital grant. We work with community groups in a municipality with low population. It's often through volunteers that we're able to provide facilities and services. There is construction of, I think it is, an

approximately 300-seat theatre in the school driven by a community group with support from the municipality, a new fire hall and community facility in Larry's River, a ballfield in Sunnyville, in Lincolnville there's a massive park and trail etcetera. So just we like to use a baseball analogy, Council is focused on the energy industry because they're hopeful they can hit a grand slam ball but Council also is aggressive in trying to hit singles and doubles as well in the municipality. In terms of some of the things we'd ask the Board to consider in their approvals, we'd like to see a municipal-led policing resource study funded by the proponents. We'd like to understand particularly what the impact might be, or may not be, during the construction phase exclusively. We feel that during the operational phase our current resources or the tax base that would come with the project would enable us to provide that service, but we'd like to have a municipal-led policing study during the construction phase so we can understand what resources may be required for that window. A comprehensive -- Mr. Cleary mentioned that we'd like to have a comprehensive waste management plan approved by the municipality, and

he mentioned many of the points we'd like to see contained in that. Keltic has done considerable community consultation. We'd like that to continue with a community office in the municipality in the near future. Continue -- both proponents, Maple and Keltic, have attended our Municipal/Industry Liaison Committee and we'd like to see that continue. That's a committee that includes citizen representation as well as Councillors. We'd like to ensure that any impacts on drinking water quality and quantity in the Goldboro area are addressed with 100 percent mitigation for the residents where any impacts might occur, as well as a mitigation for the fishery and aquaculture. We'd like to see a comprehensive plan for training for both the construction and operational phase within the municipality, and we'd like the proponents to have a policy to ensure that African Nova Scotia community participates in the employment opportunity both during the construction and the operational phase. We'd like to have municipal review of the traffic and road construction plans that Keltic is working on with the provincial government, and we'd like to have input on any habitat replacement programmes, specifically

locations that are considered, so that we can compare that to our land-use planning and other plans to make sure that any replacement in the municipality is complementary to our plans and not contradictory to our plans. I think now I'll turn it over to Warden Hines to conclude for the municipality. Thank you.

WARDEN HINES

Thank you very much, Councillors and staff. We're getting near the end here and we wanted to sort of give you an idea of how important we feel community consultation is to the municipality. Dan mentioned the citizen survey. We're currently in the process of conducting a second citizen survey, it's the second one in five years. As he mentioned, it's done scientifically. We hire a consultant out of Dalhousie in Halifax. We're very, very happy with the results. We had a tremendous turnout or return the last time, probably in the 70/75 percent range, because people are interested in being consulted and are interested in this community, and they want to have an avenue to direct us as their representatives as to what we think -- what they think is important. So we're looking forward to concluding that probably early in the new



year. Land-use planning, we have done a lot of it. We're currently taking that programme out a little farther in the municipality to provide planning to the entire 2100 square kms of the municipality. We expect to have that concluded in 2007, and in that process we set up a committee, a joint committee that includes citizen representation from each of the four unplanned areas in the municipality. On the Industry Liaison Committee that was mentioned, this is a tremendous platform that provides a portal for the community to participate, to question, to understand and get their questions answered from these large international companies that are interested in our area. We have Council representation on it and we have four citizen representatives, including the African Nova Scotia representative, Regional Development Authority and Business Development Centre, and anybody else who wants to come and talk. And the various companies that are involved, Maritime Northeastern in Canada, Maple, Keltic, Exxon Mobil, have been very co-operative and appreciate the fact that they have a platform that they can use to establish that kind of communication. Keltic set up its own liaison committee some time ago,

and I thought I heard the number 13 open houses held in the area, though we had a councillor sitting on that as the councillor for the area, the municipality did not have any formal participation in that, but we welcomed that other sounding board that was out there so that we got objective information from the community without the bias perhaps of having a warden and councillors there to provide information back. From a benefit point of view, obviously during the construction period there's significant activity. I just for a second want to tell you, you know, put this in context, this is a big project, 4 billion dollars. The SOEI project was, I think, 3.6/3.8. That involved a 1600-km pipeline, 30-inch inside diameter line, going from Goldboro to Dracut, Massachusetts. It involved 258 km 8-inch lines going from Goldboro across the deepest gorge on the east coast, the Strait of Canso, and up to a 100 million dollar frac plant at Port Hastings there, and at Point Tupper, and from -- I think the maximum number of people they had on site at that time was -- at one time was around 6-800. This one is bigger obviously, the numbers are significant in terms of construction, but my point is is that as we sit here today, and we

have the operating separation plant at Goldboro, I think there's 40-50 people employed in the operating phase. The employment was great. We had lots of people make huge amounts of money, seventy-five dollars (\$75) an hour building pipelines here for eight months, then they were gone, so were those high paying jobs. The jobs we have at Goldboro we're grateful for, but we want the operational jobs in this petrochemical facility. We want to be able to participate in Canadian society the same way that lots of other places in Canada and in Nova Scotia do. The tax base goes without saying. Prior to 2000 when the operation started we were dependent on residential tax base for about 70 percent of our income, and that ratio has been flipped now, I think probably, to a 55/45 process. We are getting good money from Exxon Mobil and I don't feel any guilt about cashing their cheques when they send them in, and the same thing goes for you guys. So that has helped us do our core functions, and our current core functions are solid waste, it's waste water, it's sewer, it's recreational activities. Those are the things that we are charged with and without the dollars it's pretty hard to do them, and that's helped

us a great deal, and so will this and other projects, the availability of gas to our region, and to Nova Scotians and to the Atlantic region, considerably, and I'll deal with the access to infrastructure in the same breath, it goes without saying. One of the issues in front of the National Energy Board in Saint John this week is will that gas be able to be back-hauled from Nova Scotia to fill the Heritage Gas lines that are here if the unthinkable happens and we have no gas in Nova Scotia. That's what this LNG project will do, not just for us, not just for that tax bill, but for all of Nova Scotia and all of Atlantic Canada. In terms of training, we have to have training. Our county and -- it's the only county in Nova Scotia that doesn't have post-secondary education. We need to change that. We're going to change that, and having projects like this will help us do that. The population figures, I wake up in the middle of the night scared what I'm going to see in March when the new census numbers come out because I really don't think that much has changed in the haemorrhage of young people that has been leaving Nova Scotia generally, and certainly our region in particular. We have to try our best to stop that.

Residential development, we live in a paradise in Nova Scotia and a big part of that paradise is Guysborough. We've got two industrial nodes planned where folks can go to work at good jobs, and all the rest of the municipality is available for wonderful residential development on that 511 -- some of it on that 511 kms of shoreline. Our support for commercial and institutional development gives us the ladder to be able to reach those objectives in terms of our tax base. So this is our vision, and I hope that our presentation today will help you understand who we are in this region, and I would hazard to say perhaps a misunderstood region of Nova Scotia. We see a diversified economy. We see jobs with above average income accessible to our residents. We have a tremendous commitment as users of the environment, as Nova Scotians, and as Maritimers, over time, and we want to protect that environment, and that's why we jumped at the chance to provide a second generation double-lined landfill to make sure that if we're going to be in the landfilling business that we had the best solution that's available, and Nova Scotia has that solution and we're part of it. Our water and waste

water strategy is before the consultants. We're hoping to have that back and we're looking down to communities of 50 people to see what we can do to improve their water situation, and we're looking for innovative solutions. We used one in Dover and the solutions are out there, and we're going to find them. We've done a tremendous amount of work on establishing and enhancing our beaches and our parks. I think we've got six new municipal parks that we didn't have five or six years ago. This place is -- we've got a trails group that is just doing fabulous work for us. They're trying to build three hundred thousand dollars' worth (\$300,000) of bridges currently on the TransCanada trail which follows the old railbed here in Guysborough County, and that's coming ahead very well. There's tremendous fishing and hunting opportunities. This is a great place to live, for families to live. We've got a good school system. Yeah, we're subject to some threats from depopulation but the skeletal remains of our school system is doing good work with the young people that we have. We've got a good hospital population. There's a beautiful facility just down the road, there's a nice one in Sherbrooke, Canso has a lovely

community hospital. We see those as essential. We need people to support them. We need income tax to pay the bills and we need people in the communities to use these facilities, same as the recreation facilities that we're working on. We're going to have a 300-seat performance, state-of-the-art performance centre opening in this community by April, right Miles, of next year that will fill not only the educational need, because we've got a great relationship with the School Board and it's attached to the school, a model which, by the way, we were initially responsible for stamping out across the province, I think Halifax West new school has one in there, too, and we're very proud of that and what that's going to mean, and it's going to provide a soft landing for the folks that we hope will come to live with us here when they have a job and enjoy the lowest residential tax rate in Nova Scotia, the Municipal District of Guysborough, fifty-nine cents (\$0.59), probably in Canada. That's happened because we chose to take the industrial revenue we had from Sable and share it with the folks that live in our communities who couldn't work there but have paid the load for many, many years before us, and we're giving

88 MUN. OF THE DIST. OF GUYSBOROUGH PANEL - PRESENTATION

that back to them and that's helping people move into our area. And that's what we see as sustainable communities. It's important to have those things that I talked about there underlined in order to make the community sustainable with good access to economic activity. Then we feel that we can build a sustainable community in our area. Thank you very much.

THE CHAIR

Okay, thanks very much. So at this time if anyone in the audience has any questions for the Guysborough representatives on their presentation. Because they had requested a little bit of extra time, we've allowed a big chunk of time here for questions for them if they come forward.

MUNICIPALITY OF THE DISTRICT OF GUYSBOROUGH - QUESTIONED

THE CHAIR:

Maybe again just to start off if I could interject a question, you mentioned -- and I guess this may probably be primarily for Mr. McDougall, but you talked about your municipal volunteer fire services and emergency measures and so on, and I'm just wondering, from your point of view as a municipality, are you comfortable that you have adequate fire and emergency



services to deal with whatever sort of situation hopefully never would but might arise with a petrochemical facility?

MR. MCDOUGALL

I noticed in their presentation that they have -- they will have fire and emergency plans, so our expectation is that when the project is built and they're able to communicate with the Harbourview Volunteer Fire Department in the area, and all the other fire departments, what will be created would be an understanding of the responsibilities that the proponents or operators would have in terms of responding to emergencies, and what the responsibilities would be for the volunteer fire departments. That's what exists currently with respect to the gas plant and we would expect nothing different with this operation. The purpose of our fire service review is to -- as with many of our services, to evaluate from time to time our readiness, and we're looking forward to receiving our consultant's report so that we can start tackling the priorities that are identified. So we are confident that we'll be able to work with the operators on creating a response plan

that would be required.

DR. RAY CRANSTON

Ray Cranston, the Environmental Assessment Board. I was wondering if you could tell us the sort of dollar value you're looking at that you'll be benefitting from this site being built, not of extra houses and spin-off businesses, but just the kind of dollar number. And also if -- is there any information you can give us on how that splits down to District 7 versus the municipality versus the county?

WARDEN HINES

Lloyd Hines, Mr. Cranston. You're asking sensitive questions about taxation here, I would say, so I'll try to give you a sensitive answer. With regard to how these facilities are taxed, it's essentially the principle in Nova Scotia is rate times value. The value is placed by the provincial government in terms of determining what the assessment is. That's apparently a provincial responsibility done by the provincial government who serves Nova Scotia municipal relations. And once that value is placed, then the municipality applies the mill rate against that value, and I think our current mill rate is a dollar eight-

three (\$1.83), Dan, is it? Yeah, it's a dollar eighty-three (\$1.83), which, by the way, is one of the lowest commercial mill rates in Nova Scotia, probably in the top lowest five in the province. So the first thing would be to determine what the value is of the asset that is placed there, and then determine what portions of that asset are taxable because there is legislation in Nova Scotia that exempts machinery and equipment from taxation. And then the base amount that was unappealed, if the proponent decided not to appeal their assessment -- if they felt it would be unfair then they could appeal it. And I'll give you an example. In the instance of the Sable assets in Nova Scotia, when they were constructed in 2000, went operational in 2000, the province originally assessed those assets at approximately 800 million dollars. The proponents, the various proponents on the pipeline portion and on the gas plant portion, appealed those assessments, felt they were unfair. Four years later, that's how long it took, they -- the assets were valued in the vicinity of 450 million dollars. So it took a little while to get that through, and until that was done we, as the majorly impacted municipality, we had

approximately 350 million of that assessment in the municipality, we didn't know what the heck that tax bill was going to be. So we billed them, they paid, and we reserved that money for the day when it did come up. As a matter of fact, it's kind of interesting that we had to refund to Exxon Mobil in the vicinity of 14 million dollars, which we did have in cash through that period of time -- we were able to reserve the interest that accrued on that account as our own, we didn't have to pay that back. But, you know, in those days, the computers would only print cheques up to a million dollars so we had to print two cheques to give them the fourteen million dollars back. Things have changed a little bit since that. So, on the Keltic one it's a little bit difficult to determine what the tax bill might be, but that's the process that would be involved there. With Maple, and 4Gas, we are looking at a more precise and perhaps humane process to determine what their contribution from -- I think it's humane, Derek -- process will be for taxation, and we're looking at following the model that was adopted by Richmond County with regard to Anadarko when that plant was set in place where the parties negotiated a tax agreement and

that tax agreement was then approved by the legislature, and that became the benchmark for the base level of taxation and the future taxation, because there was law that was passed in the province which enabled that to happen for LNG facilities, but that doesn't apply to petrochemical facilities. And we haven't negotiated that yet, but I can tell you that in the instance of Richmond I believe the base amount was in the vicinity of 3 million dollars per annum.

THE CHAIR

Okay. Thanks. Anybody in the audience have any questions? Oh. Yeah, please, go ahead.

MR. BUTLER

My name is Mark Butler. I'm with the Ecology Action Centre. Thank you very much for your presentation. It was very informative. I work on fisheries, actually, and promoting a sustainable fisheries. I'm trying to address some of the environmental problems that we have in our fisheries. And I noted in one of your slides that a lot of the problems experienced in Guysborough and certainly in rural Nova Scotia -- the out migration that we're experiencing is because of the problems that we have in many of our natural resource industries like

fisheries and forestry. And certainly perhaps just the message that we might learn from that is it's -- when some of the new technologies were introduced into those industries, perhaps we should have asked a few more questions, and I guess that's what we're here to do today is to ask questions, make sure we're making the right decisions. The question I have today is I noted that some of you went to Houston and Joffre. I guess they're two different locations. I'd just be interested in hearing a little bit more about that because we can certainly learn from what's worked in other places and what hasn't worked. I guess I'd be interested in why you chose that location, whether you talked to some of the citizens living around those places. Certainly something I read in the paper occasions is some of the problems that are experienced in places like Sarnia with some of the health impacts from petrochemical facilities. So I'd just be interested in hearing what kind of research maybe the Municipality has done around those issues.

WARDEN HINES

Thank you very much, Mark. And certainly both of those visits that staff and Council took -- and I was

privileged to be able to visit both of those places over the last number of years -- helped us understand what -- essentially what was going to happen to us in terms of the process. You know, we're -- I would say that we're experts on those things that are core functions, like land-use planning and that sort of thing, but we don't know too much about the petrochemical business, the LNG business. We leave that up to people that do. In that process -- I guess probably now would be in about '98 -- a group of us went to Joffre, Alberta, to look at Nova Petrochemical which operates one of the largest facilities in the world at that time. Their site at that time was 800 acres in size. This is one facility. I'm sorry, it was 3,500 acres in size, and they had 800 acres under active production. So I don't know if it's increased since that time or not. But just to give you an idea of the context. And the reason, Mark, that we went there is we wanted to look at the petrochemical impact and we wanted to understand the -- particularly the residential impacts and also the taxation impacts of these types of facilities. Now, Joffre is a community, a prairie farming community in Lacombe Municipality, of

60 people. And a gentleman named Lougheed, who was Premier of the Province, said in the '70s, "We're finished exporting this stuff, and we're going to make some jobs for our people in Alberta." And they looked on the map and saw that mostly all the pipelines in Alberta crossed at Joffre, and that's how simple it was. That's why they went there. Similar to why this petrochemical plant is at Goldboro, because that's the end of the pipe for the export pipe for the transmission line into the U.S. And I'm sure that's what's attracting our friends from Holland here, and I know that was Kevin's attraction, and that's why. Sometimes it's not rocket science why these things happen. Lacombe Municipality, a very rural municipality. When we were there in '98, they had not issued a building permit for 35 years. They were taking an income of over twelve million dollars a year in taxation from the Joffre operation, but it's a land of farmers, and they weren't all that happy about it. Now, they're in the County of Red Deer, and then there's the City of Red Deer there. Well of course Red Deer City got all the residential development, all the commercial development, all the saloons and all those



kinds of things, but they didn't get much of that twelve million dollars. So they were not necessarily that happy either. So that's a dynamic that goes on in this kind of process. But we were able to understand there -- and the Minister of Energy was with us at that time, and also the Premier of the day -- what the demands were on the communities, what the demand for water is in the process, and had a look at the types of emissions and that sort of thing that were going on. Now, I would also say and ask you to think about this -- and Mark, next time you're down at Bishop's Landing, go out on the helicopter pad and look across the harbour, and take a look at that oil refinery that's sitting over there, and ask yourself do you think that that would be able to be there today. The answer is probably "no." The Province saw fit to build a hospital along side of it. Now we've got one of the newest Nova Scotia Community Colleges just down the street from it. That's old technology. What we're doing here is new technology. We have the benefit to apply to these activities of all the mistakes that have been made all over the world, and we rely on these people to bring them and we rely on you guys to make

sure that they do. With regard to Freeport, about an hour and 20 minutes southeast of Houston, Bradley, myself and Gordon MacDonald, our Petroleum Development Officer, visited there in May of this year. That's an LNG import terminal that is around the same volume, I think, as the proposal here. They got two tanks -- no, it's smaller. Yeah, they've got two up and three ready to go. And so we were actually standing inside of one of these tanks when it was being constructed. Freeport is a little tiny Gulf community and probably a population of six or seven hundred people, right on one of the busiest flyways for birds between Mexico and North America. And that was a puzzle for them environmentally as to what they were going to do. They did a tremendous amount of work in terms of mitigation with the bird population there. They created a complete new wetland. They experimented with various ways to discourage the birds from landing and encouraged them to migrate over to the new wetland. And it took them about six or seven months to do that. But it's quite a work of art. And you know, again, it wasn't rocket science there. They stuck some sticks in the ground, put some tinsel on it like tinsel you'd put

on your Christmas tree, and that seemed to be the only thing that got the birds P.O.'d, and they went over to the new place there, and so they were able to -- they were able to put the facility in place. When we were there, there were 1,200 workers at the site, and it was amazing. And that's dropped right into a community that has a similar population, I guess, to our Goldboro/Isaac's Harbour area. Perhaps a few more challenges. And also, it's adjacent to Dow -- one of -- Dow Petrochemicals is about three kilometres away, one of Dow's biggest facilities. So that's what we -- that why we did this. When we went to Joffre and when we went to Houston, we didn't ask Kevin and Derek to pay our way. We have internal policy about how we accept gratuities from companies that are here. Contrary to some people in the press recently that have talked about how susceptible we are to dangling carrots in this area, that's not the case. We proceed with integrity. We investigate these areas stringently. And that's our responsibility to understand how that's going to affect our people in our communities. But it gave us a great opportunity to see the kinds of impacts that were there. I don't think there was too much

fishing. There might have been some sport fishing in Freeport and in Joffre. It's a prairie environment, very very far from the ocean or from the water, from lakes or anything. But these projects -- and I guess, too, when Sable was being constructed -- and Sable was a much more pervasive project environmentally than this one is, because this one is consolidated to one particular land mass with the exception of the transportation of the LNG. Sable intercepted Nova Scotia, New Brunswick, Maine, Massachusetts, Cape Breton, with pipes and activity, and certainly the fishery to a more significant extent than this one will because there's no subsidy pipeline associated with this. But in the run-up between '95 and 2000, we were in Aberdeen a couple of times too. Had an opportunity to visit fishermen in the North Sea where there was a lot of activity. And the message that we got back consistently was, yes, there's reason to be careful. You can't have -- we don't want another Valdez here in Nova Scotia. We don't want another Arrow in Guysborough County. But there is compatibility. We can find ways for these projects to work together in the Gulf of Mexico and Galveston. I've been out there

lots of times to the ships that are anchored, and the shrimpers are right around the place fishing. So I don't think they're mutually exclusive, and I think that this is a great forum for us to be able to bring that together and stop this extreme separation between people who really have the same interests. Thank you.

MR. BUTLER

Excuse me, could I ask a supplementary?

THE CHAIR

Yeah.

MR. BUTLER

Just when you were there, I wonder were you able to talk to an citizens groups, or was there any information on health impacts of these facilities?

WARDEN HINES

In Freeport, most recently, no, we didn't have -- we were under a tight schedule there. We didn't have an opportunity to speak to anybody in the local community. Let me say that I didn't. But we had a very diligent young lady with us, who was here with us at Kevin's invitation. Her name is Judy Myrden. She's a very astute business reporter for the Herald. Now she did have some conversations with the locals, Mark, about

those important issues, and as I recall from what she had to say, I didn't think there was anything particular that was a problem. Interestingly enough there, there was the -- in the small community, even though Dow was a couple of kilometres away, you know, people were apprehensive. And it was LNG, and so they were afraid. You know, LNG, everybody talks about LNG. Nobody really knows what it is, but anyway, everybody talks about it blowing up, so the President of Freeport LNG went across the street maybe a hundred metres and put up a new summer home, where he spends his time there. Now, that might be an extreme example of an illustration of how good he feels about that or how safe he feels it to be, but that's what he did, and I understand that that gave the people in the community some help. In Joffre, we met extensively with the Councils of Red Deer and Lacombe and Red Deer County, the three areas that are impacted there, and there was never any discussion about the health impacts. It was not brought up. We talked about emissions, and they said there were some emissions, and when they have a problem, the company is accessible, they talk to them. But we didn't gather any statistics on health impacts

per se. Really, in that area, it was more about the socio-economic impacts that were very evident with a plant of that magnitude. It's huge -- a huge plant.

MS. GAGNON

Hi. Chantal Gagnon, the Ecology Action Centre. Mr. Chair, I have four questions, but the answers should be relatively short, and they would address different people from the Municipality. The first one is regarding the waste compensation plan that the Municipality would like to see from the proponent. Just wondering if the Municipality will make that document available publicly for its population in the province and have it reviewed by a third party or -- the waste compensation plan that Mr. Cleary asked about.

THE CHAIR

I think perhaps it was a waste management plan.

MS. GAGNON

Or waste management ---

THE CHAIR

Okay. Can we have -- somebody from Guysborough wants to answer that?

MR. CLEARY

104 MUN. OF THE DIST. OF GUYSBOROUGH - QUESTIONED

Okay. I'm Gary Cleary, and I will respond to that question. All of our documentation concerning waste management is public, and once the -- once the plan was approved by the Municipality and accepted by our Council, it would be available for public viewing or copying or whatever. So it would be a public document once accepted by Council.

MS. GAGNON

Thank you. The second question I have is regarding the land around the impoundment on Meadow Lake, I think, regarding zoning. Just wondering, the land around Meadow Lake, if that is zoned within the M3 industrial that was rezoned or if that is a different zoning, if it's privately owned, or who owns the land around Meadow Lake and Isaac's Harbour River that would be impacted by the impoundment.

MR. CLEARY

Okay. I'm Gary Cleary, and I was acting as Director of Planning when the zoning took place in the Goldboro area. The land would primarily be Crown land, but it would include some private lands. The -- what was the second part of your question, sorry?

MS. GAGNON



Is it included in the zoning for the heavy industrial zoning, or is that a residential zoning around the lake and the ---

MR. CLEARY

My recollection would be the majority of Meadow Lake would be in the industrial zone. But it would not be necessary that a water reserve be all in an industrial zone, but the facilities serving that water, the pumps, pump houses, those types of buildings, would be considered industrial if they were part of an industrial project, but not necessarily the whole body of water. If that helps to answer your question.

MS. GAGNON

Well, Mr. Chair, we might want to bring clarity on that, because to my understanding from the graphics that have been provided or the figures within the Environmental Impact Assessment, Meadow Lake does not fall within the re-zoned heavy industrial. So maybe just have that area be clarified.

MR. CLEARY

That certainly may be the case. The lake itself may be outside of the zone, but the facilities, the pumps and so on, may require zoning to accommodate them. And we

106 MUN. OF THE DIST. OF GUYSBOROUGH - QUESTIONED

haven't seen final plans for that. There may be a copy of the zoning plan. This would be Meadow Lake possibly, and this is the area that is zoned industrial.

MS. GAGNON

Meadow Lake -- anyways, that should be clarified because ---

MR. CLEARY

Yeah, we can provide that clarification.

MS. GAGNON

Okay.

THE CHAIR

Okay. So we'll ask to get clarification from the Municipality as to what the zoning is now and what would be required if there is any change required to enable this. (Undertaking)

MS. GAGNON

Okay. And the last question was I wonder if the water strategy that Mr. Hines talked about, if that is available to review, and how the impoundment of Meadow Lake falls within that water strategy as well as the petrochemical facility and that area, how that falls within the water strategy, which seems to be for more

than one municipality, if I understood Mr. Hines.

MR. CLEARY

Okay. I'll respond to that one. The water strategy referred to is a water and waste water strategy that is being conducted by an engineering firm for the Municipality. It's primarily to address residential concerns within communities, but it could, you know -- industry may spur residential construction, but the review and the plan wasn't designed to address the Keltic project or any other large-scale projects. It was designed to look at each individual residential community within our Municipality and look at the possibilities of infrastructure, water and waste water and what may benefit the residents.

MS. GAGNON

Okay. So does the water strategy include source water protection? Was that all determined prior to the development?

MR. CLEARY

That was not a primary target of that strategy. Now, the engineering firm, of course, would be looking at water supplies in each of the communities if they were considering recommending water for that community, but

108 MUN. OF THE DIST. OF GUYSBOROUGH - QUESTIONED

that's not a primary target of that water and waste water strategy. It's primarily residential. And I think Dan might have something to add to that.

MR. McDOUGALL

There's two strategies underway, and I think perhaps that's where some of the confusion -- the Municipality is just about completed a water/waste water strategy. That's to define communities where a central solution for water or waste water services might be appropriate. It may also be a cluster solution or perhaps on-site solution for waste water services. If it's recommended that a central water solution is appropriate for Council to consider, that would necessarily include issues associated with water shed, so that would be included in the report. It's a -- the report will not drill down too deeply for specific communities. It's to identify priorities for Council over the next five to ten years. The water strategy that Warden Hines referred to is a project that the Mayors and Wardens Committee are looking at doing. And so that would include looking at the water resources available in Richmond County, in Inverness County, in Guysborough County and Antigonish County, and then to take things

like a decline or a growth in population to look at industrial-zoned areas of a municipality to try to predict what the need might be in the different municipal units and what actions would be appropriate for a municipality to undertake, or the provincial or other governments to undertake in order to ensure that the water resources are protected. So there's two activities under way, one by the Municipality, just about complete, and the other one in the formative stages at the Mayors and Wardens Committee level.

MS. GAGNON

So my last question was -- actually, you're probably the best person to answer it -- regarding providing -- to my understanding, the residents of Goldboro, Isaac's Harbour or Drum Head are on private wells and septic tanks. They're not on a municipal system of water or waste water. So from your plan, that seems to be something that is going to be looked into. So what would be the cost to the local residents for that system once in place? Would that be an increase in property taxes, a monthly or an annual fee? That type of information.

MR. CLEARY

110 MUN. OF THE DIST. OF GUYSBOROUGH - QUESTIONED

Again, it's a preliminary study. It's a concept-level work. It will -- the type of information that we would receive would be that, you know, for a two point kilometre area, there's a good cluster of residential development there. There are some, you know, septic systems that have failed, a central solution would be appropriate because it's a good compact community, and from that, we would work with the community to see if there's an interest in a central solution or a cluster solution, then take it to a pre-design phase and the design phase. So we're in year one perhaps of a five to ten-year process in getting solutions, where appropriate, for water and waste water. So no costs to date on -- or no impacts known at this point. Yeah.

MS. GAGNON

Thank you.

THE CHAIR

Maybe if I could just ask a question, probably for Mr. McDougall. You mentioned citizen surveys that you've done periodically, and I think there was an indication the next one is coming up in the new year. I'm just wondering if you have ever surveyed or would you ever survey residents particularly on the Keltic project and

their views on that. Have you or will you?

MR. McDOUGALL

The citizen survey that was conducted five years ago -- perhaps I was struggling for words in my presentation -- it was intended to get a representative sample of our Municipality as a whole. So the sample size was large enough for us to have confidence in the feedback we received from our citizens not only on evaluating our current services, but it also gave us feedback prospectively to give Council a sense of where the residents want to -- what priorities the residents would like to see for Council. So we had a sample size. We targeted 800, and we received about 550 back, a large enough size to give us pretty good confidence that the feedback we received was good information for Council to consider. But it was just advice to Council. In that survey, particularly the prospective side, we had an open-ended question that asked, "What would the priorities of the Municipality be?" Now, keep in mind that we did the survey in January and February. And in -- so the number one priority was roads. I think that was perhaps because of frost heaves and perhaps late snow ploughs. We,

unfortunately, are not responsible for roads in the Municipality, so we should have focused the question a little more closely. But four of the next five were to create employment opportunities, to capitalize on the benefits of the gas plant. This was -- our survey was on the heels of the gas plant -- to provide training opportunities for residents. So it really, I guess, focused the Council on what appeared to be the number one priority for residents that we had some control to deliver on. In terms of more focused survey, in an open house, we had -- in the Goldboro area, the first of our three meetings, we had a short questionnaire, we would call it. It wasn't a scientific survey. And we received feedback from 30 or -- I forget the number of the surveys. I could probably get you that information, would be the best. And we asked them about their support for the industrial strategy, and the responses were such that Council then moved into their land-use by-law amendment process that resulted in the expanded industrial zone. So it again gave Council the signal from the community that the priority for the residents was creating employment opportunities and tackling out migration decline, etc.



THE CHAIR

Okay. And maybe if I could just follow-up with a couple of related things coming out of that. You mentioned your re-zoning and so on for the municipal industrial park. I'm just wondering, has the Municipality expropriated any land to enable the Keltic project specifically?

MR. McDOUGALL

Yes. Our land assembly project in the Goldboro area saw the Municipality acquiring about 40 parcels of land. About 36 of those -- or 95 percent were acquired through negotiation. Four parcels were expropriated by the Municipality. Three of those for title reasons. We were unable to acquire title through a negotiated process, so the expropriation will achieve that for the Municipality. And one of those expropriations was we were unable to reach a negotiated agreement. So four parcels.

THE CHAIR

Thanks. And you mentioned citizens had interest in a training program, and I think Keltic was also mentioned, you know, the possibility of a training program -- you did, I believe, in your presentation.

114 MUN. OF THE DIST. OF GUYSBOROUGH - QUESTIONED

Could you just elaborate a little bit on what would you expect a training program to include?

MR. McDOUGALL

That's -- that was -- we included that in our presentation because that was an issue that was raised by the residents in our citizen survey, and it was raised by the community through the public hearing process associated with the land-use by-law process. The Guysborough County Regional Development Authority really is the economic development arm for the Municipality. We fund both the core operations of that office and the -- well for the energy industry office of the Guysborough County Regional Development Authority. So I know that later in your hearings, they'll have a more comprehensive explanation of the training that is expected. But we felt it was important to raise that. We tried to focus today our presentation on things that we did associated with the project, and that was our land assembly and our zoning process. So it would be creating accessible opportunities for residents of the Municipality and others to take the training necessary to be able to find employment opportunities both in the construction

phase of the operations as well as the operational phase. It could be something as simple as a flagging identification of the number of flaggers that would be required so that the RDA could develop or coordinate a flagging course. And it could be a more complex course offering that might provide a resident with an opportunity to participate in the operational phase. So not a great answer. I apologize. But I expect you'll get a more comprehensive look at that later in the week.

THE CHAIR

Okay. Thanks.

MR. McDOUGALL

Yeah.

THE CHAIR

Any other questions from anyone in -- I see a hand at the back there. If you could just come to the microphone, please, and identify yourself.

MR. DESMOND

My name is James Desmond, and I'm from the African Nova Scotia Community of Lincolnville. I'm a member of the Concerned Citizens Group of Lincolnville. The Municipality mentioned a waste -- or a management plan

116 MUN. OF THE DIST. OF GUYSBOROUGH - QUESTIONED

that they are requesting from Keltic. He talked about staff having training for hazardous waste. I would like to know what training the staff at the waste management site has now in regards to hazardous waste training and if there's hazardous waste training going to be provided by the Municipality of Guysborough, who will be providing that training, and will the Community of Lincolnville have access to that information. Also, it was mentioned by Councillor Pelly, the RedHead project. I would like to know where that RedHead project has taken place at, and I want to know if this RedHead project is going to have any impact by the Keltic project. And if so, has there been any talks of compensation for the disturbance of that there heritage site where black African Nova Scotians were buried?

THE CHAIR

Okay. I'd ask whoever is best able to address those.

MR. CLEARY

Okay. Again, Gary Cleary. I guess to respond to the first question about hazardous materials, the only hazardous materials accepted at the Guysborough waste management facility are what is referred to as household hazardous waste. And the members at the site

received training from Atlantic Industrial. In fact, only two weeks ago, training took place. And those are to handle the materials that are accepted, which are waste paint, aerosol cans, the small propane containers, and that type of material which is shipped out annually. It's stored in an approved household hazardous waste building and shipped out annually to a company, and this year, it was Atlantic Industrial. I think last year, Philip Industrial. But those companies provided the training, and they were in for a day of training with the people on the site. And certainly any information on that, members of the community could feel free to drop in and get copies of those training programs and -- like I say, it's the on-site people who took training on that. As far as if there was hazardous materials from the -- identified in the comprehensive plan requested from Keltic, then those materials would be shipped out to an approved facility that is designed to handle those materials. So ---

MR. DESMOND

Is the Municipality of Guysborough looking at handling our hazardous wastes and putting a plan in place to

118 MUN. OF THE DIST. OF GUYSBOROUGH - QUESTIONED

handle hazardous waste at the second generation  
landfill site?

MR. CLEARY

The only plan is the household hazardous waste, and we have a building that is designed for that. And that is the only hazardous material that's identified in our operations permit. We have two regulating documents, and those are the operations permit from the Department of Environment, and it clearly spells out what we are permitted to accept. And we also have an operations plan which was designed by our consultant, Dhillon Consultant, and it also clearly spells out what can be handled and how that material must be handled, but it does not allow any hazardous materials other than the household hazardous waste. I know there was a second part to your question, and maybe Sheila -- thank you.

MS. PELLY

Okay. Sheila Pelly, African Nova Scotia Community. As far as I understand, the RedHead graveyard is on the site, near the site of the Keltic project. As far as the African Nova Scotian communities -- the RedHead project was done by the Community of Lincolnville, which was -- as I said, was funded by the Northeast

Pipeline, the Municipality of Guysborough and the fund raising. As far as compensation for this land, I mean, who are you expecting to give compensation to? Who's looking for the compensation for the -- I'd like to ask you that question.

MR. DESMOND

It is my understanding throughout history that when people's burial ground is being affected by anything, especially the project that Keltic is proposing then people that have ancestors that was buried in that area should be compensated for whatever impact that project is going to have on that area.

MR. PELLY

First of all, I think we'd have to define how much of that Red Head Cemetery is left there because I mean the sea was washing the grave sites away and taking the cemetery away and that's why the remains was removed from the Red Head cemetery because at this time we're not sure even how much of the Red Head cemetery's even left there. So that's my answer to that. Do you know how much is left there? How much of the cemetery's left there?

MR. DESMOND

120 MUN. OF THE DIST. OF GUYSBOROUGH - QUESTIONED

Well, I don't know ---

MS. PELLY

I mean the sea has been washing it away.

MR. DESMOND

I don't know how much is left there but ---

MS. PELLY

Yeah, well ---

MR. DESMOND

--- I would assume that somebody would have taken the initiative or taken the lead to find out what impact the Keltic project is going to have on that grave site area.

MS. PELLY

Well, I think the initiative should have been made years ago when the remains were there and are -- nobody made an attempt to have these remains removed. At one point I understand there was probably over two hundred graves that was -- bodies that were there. When the Lincolnville Development Association took on to remove the graves there at that time we were able to retrieve 24. That's how many remains that was retrieved from the thing. So at this point -- and even in the middle of the winter we had to have someone go out and remove



one of the remains because it was already dipping down over the cliff. So at this time, maybe it would be nice to find out how much of the cemetery is actually there any more.

MR. DESMOND

Well, out of 24 graves out of 200 it surely tells me that there is other remains that are still in that area.

MS. PELLY

There's no other remains still in that area.

MR. DESMOND

Well, if there was 200 people buried there, that tells me that there's a possibility that there is still remains still in that area. And that being said, I think that this here area should be strongly looked at by the African Nova Scotian community before any Keltic project moves ahead if it's going to affect that burial area.

MS. PELLY

I think it might be good to talk maybe with The Chairperson about their work with archaeologist at the Red Head project and maybe you can get some answers about what was retrieved from there and what is left

122 MUN. OF THE DIST. OF GUYSBOROUGH - QUESTIONED

there because to my understanding there's no remains left at the site.

MR. DESMOND

If the Municipality of Guysborough is supporting this here initiative, and we are as an African Nova Scotia community a part of Guysborough County, the Municipality of Guysborough and the representative for the African Nova Scotia community should definitely be taking the lead on this here issue.

Thank you.

MS. PELLY

Thank you.

MR. DUNCAN

Mr. Chair, maybe I could add some information.

THE CHAIR

Yeah, I was going to ask if Keltic has any information on what may remain at that cemetery.

MR. DUNCAN

Sure. As part of the Environmental Assessment we did document the work that had been done at the Red Head Cemetery. And this work had been done as I mentioned, outside the boundaries or the project-specific issues. The project -- the archaeology work that was done at

Red Head was addressed as has been mentioned some erosional concerns on those burial sites at that site. In 2000 and 2001 there were 26 remains were removed from the site and placed in proper burials as previously mentioned by the Councillor. As part of the Keltic project subsequent to that work, further archaeological investigations were conducted all through the -- that area and specifically in the Red Head area. There were -- there are no -- based on any sub-surface testing and archaeological digs that were done subsequent, there are no remaining human remains at that site. There are still some elevated archaeological interests or resources -- or at least the potential in those areas. We've identified some areas even if it's something as -- such as a depression or the remains maybe of a stone cellar that may still occur. We've mapped those locations out. They still exist in the context of what we call high archaeological potential. So any work that would be conducted in those areas, anywhere where we would do groundbreaking in terms of breaking -- like exposing any sub-surface materials, we would have an archaeologist there during those activities to inspect

those sites. There would be an archaeology response -- archaeology or heritage resource response plan that would be committed to in the event that any resources are encountered. Typically what's happened in the past on other projects is that what happens if there is encountering of historical or archaeological resources, work is stopped. The archaeologist that's on site would evaluate the resource, would contact the Nova Scotia Museum, would make further evaluation and further work as required to remove or to preserve those resources. And then a plan would come up to -- would be formulated in context or in connection with -- in consultation with the Nova Scotia Museum. We would also include and we've done this before in other First Nations, you know, properties as well, we consult with the interested stakeholder, if it's First Nations. In this case it would be the Black community there in Goldboro and Lincolnville. Obviously there's an interest in that site. It would involve consultation on development of that archaeology response plan during construction. So these are features that we would certainly have committed to. There's work as I indicated that we've done already to date that we're

pretty certain that there are no real archaeology resources that would be impacted but we still have elevated the site as a high potential. And that's why we've taken the care to ensure that there is a plan in place to address those.

THE CHAIR

Okay, thank you. Any other questions for the Municipality of Guysborough specifically? Maybe if I could just ask one final one. And this is just for my own information. It's not even specifically related to the Keltic project but I understand that there is another LNG facility proposed for Bear Head. And I wasn't sure when you put up your map there, is Bear Head within Guysborough or not? It's not.

WARDEN HINES

It's an excellent question, Mr. Chairman. Now there are -- there would be impacts of the Bear Head plant and interestingly enough it's kind of -- it kind of fell through the cracks a little bit from the public consultation perspective until we contacted the then company that was doing the promotion called A&E. And that was that the Bear Head is in the Municipality of the County of Richmond, which is 1,000 metres across

the Strait of Canso. And really the people who were living in the area, who were closest were people that were in the Municipality. But the process didn't call for consultations in this jurisdiction. So we contacted, after the transaction had taken place and Anadarko became the principal, we contacted Anadarko and brought them in. They were -- they came to talk to us and then they came and made a -- had a public open house in the community of Steep Creek where the people who live actually closest to the facilities -- it's a bit of an irony there in the way it was set up that the jurisdictional process really didn't capture but we got good cooperation from the Anadarko. But on another matter in terms of the impact there, that particular project calls for the construction of a fairly significant transmission line to transverse the Municipality in the easement that exists -- currently exists between Goldboro and the Strait. And joined the Maritimes and Northeastern Pipeline about seven kilometres from the existing site. So the impact in a direct manner would be through the pipeline company which probably would be Maritimes Northeastern in terms of actual physical impact and -- but jurisdictionally

they were able to come across and consult in our community also and of course the proximity issue there would mean that people from our municipality would be working at that facility we would hope.

THE CHAIR

Okay, thanks. Maybe I should just clarify, the reason there's not a provincial public hearing required for the Bear Head facility because it's LNG. What triggered the provincial hearings for Keltic is the petrochemical portion. That's required to undergo hearings but an LNG facility is not in Nova Scotia. If there are no other questions specific to Guysborough we do have time left for an open public forum. If anyone has any views they wish to express or any general questions that they want to try to get answered, this would be the time. So I just invite anybody to come up to the microphone if you wish to.

MR. AVERY

Hello, my name is Randy Avery and I am a local businessperson in the area. I have the Avery Save-Easy in Guysborough here. Grocer. As you saw throughout a lot of the stats on the string of the attrition rate in Guysborough County is -- it's pretty high. And where

128 MUN. OF THE DIST. OF GUYSBOROUGH - QUESTIONED

it's going in the next few years, ten, 15 whatever it may be, it's only going to get worse. So I applaud you know, the Keltic and the Maple here to give this area an opportunity so economically where we could grow. To sustain what we have right now is very, very difficult from an infrastructure point of view and people point of view. And the opportunity is great and I applaud you. Thank you.

THE CHAIR

Okay. Thanks. Anyone else at this time. If not, then we're going to recess the hearings and we will resume here at six o'clock. We'll have -- sorry about that -- resume at 6:30 and we'll have an evening session here same location. Thank you.

--- Upon recessing at 4:18 p.m.



--- Upon resuming at 6:29 p.m.

THE CHAIR - OPENING REMARKS

Ladies and gentlemen if I could ask you to find your seats please. We hope to get started in a minute and we'll try and keep on schedule. Okay. Thanks. So we're going to resume the hearings on the Keltic Petrochemical proposal. My name is Tony Blouin. I'm The Chair of the Nova Scotia Environmental Assessment Board. I did give an introduction to the process during the afternoon session. So in the interests of time I'm not going to repeat all of that. Let me just say a few things. I want to introduce on my left, Ray Cranston also a member of the Assessment Board. And Penny Henniwell, another member of the Board. The three of us are the Hearing Panel for tonight's event and for the review of the Keltic project. Sorry, Henneberry. I'm sorry, my apologies, Henneberry. On my right is Jim Gordon who is the administrator for the Environmental Assessment Board and Mark Rieksts who is the legal advisor the Board. Just a couple of administrative things. In the case of an emergency there's exits at the front and back of the room here. Washrooms are at the back on the right-hand side. If

you have cell phones, pagers that sort of thing please turn them off. The hearings are being conducted under the Provincial Environmental process which is required for various types of projects, a petrochemical facility being one of them. There's also a Federal Environmental Assessment process that applies to this project but there are no hearings required under that Federal process. That's a Federal decision. So this is strictly a provincial process. These hearings are intended to be informal, non-confrontational. We don't follow the same rules of evidence for example that a Court of law would but we do have some basic requirements for procedure. The regulations set out the order of presentation so we're going to start with a short presentation from the Proponents, Keltic. Then we have a number of intervenors who have registered to speak tonight. So I'll allow a certain amount of time for each of those. Following each presentation there will be time for questions. And at that time we'd ask that you limit yourself to direct questions pertaining to the presentation that you've just heard. There will be a time at the end for a more general just open forum if anyone from the audience wants to raise an issue,

make a statement or ask a question, we'll provide time at the end to do that. Rules of good behaviour apply. You may hear opinions that you don't agree with, that's fine, but we do ask that you respect them so no interruptions, for instance, from the audience while someone's making a presentation or speaking. The proceedings are audiotaped. We will produce a full transcript at the end of all of the sessions. So the full proceedings are audiotaped. I don't think we have any video camera here tonight so I won't worry about that. There is one requirement. Anyone who's giving evidence to the Panel must be sworn in. The regulations require that. The Keltic Group has already been sworn in so that continues for the presenters who are going to speak tonight. We will swear you in individually as each of your turns comes up. So we're going to start with a brief summary. Again, Keltic made a larger presentation this afternoon on their project. Rather than repeat all of that even recognizing that we do have at least some different members of the audience but we don't want to repeat the whole thing, so we're going to ask them to come forward and make about a ten minute summary presentation to

describe their project. So we'd start with that please.

KELTIC PETROCHEMICAL INC. - PRESENTATION

MR. DUNCAN

Great. Thank you, Mr. Chairman, Panel members, members of the audience. I apologize for those who were here this morning. You're going to be tired of listening to my voice and by Day 6 those who are here every day are going to get real tired of it. But I'm going to give a brief overview as The Chair indicated. A short overview of the presentation we heard earlier this afternoon about the project. A little about the Environmental Assessment process, the mechanics of conducting an EIA and kind of a summary of our findings recognizing we don't have time to go through the entire findings of the document. But a brief summary and we can, of course, answer any questions afterwards if you have any follow up information you require. So just as a brief outline of the project, what is it? The Keltic project consists of two main components. One is the LNG or the liquids and natural gas component. A regassification facility which -- what will take the liquids natural gas and turn it into a natural gas

itself. It has -- currently proposed to have a one billion cubic foot capacity per day of output. It's expandable and we'll talk about that a bit. Hopefully doubling or at some point having enough supply to double that capacity. Associated with the LNG and integrated into that facility is a petrochemical complex. This takes the liquids from the natural gas, uses the processing to create polypropylene, polyethylene which are source products for plastics and plastic materials. For most folks in this area you're probably familiar where the project is going to be. It is going to be in the Goldboro area. As on the figure it indicates those that are familiar where the SOEI gas plant is, it's in the same vicinity. It's in what's called the Goldboro Industrial Park that's been set aside for industrial uses. It -- there are -- as you can indicate on the figure there are three -- those three main areas that are associated with the petrochemical complex itself, the LNG regassification and a power plant facility associated with the Cogen power plant that is proposed for the site as well. In addition there's a marine terminal to accept the storage and transport of materials and a marine

terminal for off-loading of LNG product as well. The question is, we've been asked why Goldboro. Why would we situate a gas plant here. A number of reasons really. There's proximity to LNG supply on a worldwide basis. If you look at shipping distances from areas such as the Middle East, Africa, Europe, Nova Scotia in general, Eastern Canada is very well situated geographically. The shipping distances are much shorter than they would be to say the eastern -- Northeast U.S. or to the Houston Gulf Coast area as well. We have access, good access to markets in terms of end product, in terms of shipping these materials. And another key component of locating these facilities here, of course, is the access to existing natural gas infrastructure, the Sable gas plant and the Maritimes Northeast Pipeline facilities. Originally -- the original plan was to strip the liquids off the natural gas at Sable and utilize those liquids as part of the processing facility. We'll continue to do that but we're looking also to utilize that area as different offshore resources become available, utilize that gas in the process as well, including the LNG that's coming in -- being proposed to be brought in as well. Also in

Goldboro a number of years ago when the Sable plant was being initiated, the municipality set aside industrial park, the Goldboro Industrial Park to accommodate exactly these types of facilities, recognizing that the Sable Gas facility was there and the infrastructure was there. So they created an industrial park with -- and zoned that as heavy industrial use to accommodate things such as petrochemical complexes. Also it provides a corridor for future offshore and natural gas discoveries or developments such as Deep Panuke. When that project is up and running that it will be likely be the landfall location for that gas. So that is obviously another reason why you would locate the facilities in this location. Also Goldboro provides an ice-free deep harbour for ship transport in and out of the harbour as well. So I want to talk a little bit, just briefly about what an Environmental Impact Assessment is or an EIA. EIA is essentially a planning tool. We use this process and this document to determine how a project will affect the people, the environment and the economy of a local area where the project's being developed. It is also used by decision-makers such government agencies to determine

what's required for the project. Is there special measures required. Are there special permits that are required for the project as well. It also helps us refine the project design. If we go through the Environmental Assessment process, determine that there are unacceptable environmental affects from the project, we would look at trying to change the design of the project to lessen these impacts. For example, if we through our analysis determine that the emissions from a facility are too high to meet standards we'd go back and look at implementing engineering mitigation or design changes to those facilities to make sure that they do meet the standards. The EIA -- most of the EIA's are governed by a regulatory process. This one obviously is as The Chair mentioned. We're part of the Provincial Environmental Assessment process under the Environment Act. So specifically the Environmental Assessment Regulations. The project here was registered with the Province in January 12th, 2005. It's designated as a Class 2 undertaking which requires it to be reviewed by an Environmental Assessment Board which will hold public hearings as part of the consultation effort. Also the Province developed a



terms of reference as part of this project which provide a guidance to the EIA. Essentially the terms of reference was put together to help us to determine what we should include in the EIA and what kind of things we should consider. As The Chair mentioned, we're also undergoing Federal Environmental assessment process under the Canadian Environmental Assessment Act or CEAA. There are a couple of law list triggers. Essentially what means is if a Federal department requires -- are required to provide approvals or permits, they need to undertake an Environmental Assessment. Specifically Fisheries and Ocean Canada and Transport Canada have indicated that they'll likely have to issue approvals for the project. Also Environment Canada, Natural Resources Canada and Health Canada have designated themselves as what we call expert authorities. In other words, they are part of the review process even though they don't require permits, they will review the documentation and provide comment. We also, as part of this process, we have to develop what's called a comprehensive study report. It's essentially another EIA. That is currently in -- being developed right now. And we're attempting to --

these processes aren't harmonized but we're trying to at least approach them in a parallel fashion. And go through the Federal process in a timely fashion as well. So what are the major EIA elements? First of all, we need to assemble baseline information, environmental baseline information to understand what the local environment looks like, what it -- what kind of features are we dealing with in the location of the facility. We need to go through a process of identifying what environmental issues we need to evaluate. This is what we call issue scoping. Issue scoping really revolves around a lot of consultation with public, with stakeholders, with regulatory agencies, First Nations. Also looking at the expertise of the study team, previous EIA's. We have good examples with Deep Panuke and Sable, what kind of issues should be evaluated. Then we identify whatever the effects of the environment are on the project. We have to look at the reverse of that as well. We're building an environment. We need to accommodate certain things that exist there such as waves, currents, winds, all those things will have a particular effects on the design of the project. We

need to accommodate those things. We will then identify what we call VEC's, Environmental -- Valued Environmental Components. Really these are the things that we focus on in EIA. Out of the scoping process we have a huge list of issues. We narrow it down, a very focused list of environmental components that are relevant to the project. We look at spatial and temporal boundaries of those VEC's. If there's a certain species that has migratory periods that they're only there a certain time of year, that is what we call a temporal boundary. We'd only evaluate that species for that time of year. But also spatial boundaries. If we're looking at a very -- a specific footprint that has an impact, that would be very different than if we're looking at air emissions where we would look at a much larger area which has -- such as the local air shed. We then look at the -- conduct an assessment of the potential impacts or the effects of the project on the environment. And then we make a determination of significance. If it's an adverse effect, how significant is that adverse effect. And then we would apply mitigation. Mitigation is -- are measures whereby we would try to lessen that impact on the

environment. We would then, after mitigation, look at what are the remaining effects. Are there any remaining effects after we've made design changes or implemented environmental measures. And then again we would assess what are the significance of those remaining effects. Another issue that we would evaluate are cumulative effects and an example I used earlier today was you may have dust generated on your project which is acceptable for one site. But if you have an adjacent project that's ongoing and it's generating dust would the combination of those two sites and two projects create an unacceptable dust situation. So not only do you look at your project but you really need to look at what other projects and -- are either being proposed or planned during that time period as well. Just to go through very quickly some examples of EIA, the kind of things that we looked at in our considerations and conclusions. One of the issues we looked at with respect to fish habitat was Meadow Lake impoundment. We did recognize that there would be significant changes to the aquatic habitat due to the increased level of Meadow Lake. So -- but recognizing that there would be both positive and

negative effects associated with that increase of the impoundment on fish habitat, generally when we look at the mitigation that can be applied and potential compensation issues associated with fish habitat, we expect there not to be a significant effects on fish populations, either locally or regionally. Another issue and we had some discussion about that here this morning is archaeological resources associated with the Red Head Cemetery. As we indicated today earlier that Red Head Cemetery had undergone extensive archaeological work prior to the Keltic project. There were human remains there. And which were removed. We still have that area designated as an area of high potential for archaeological resources. So we would recommend additional mitigation there. We need to be sensitive to any potential issues that may occur if we're doing any groundbreaking in that area. We need to make sure that if we're uncovering anything we need to make sure that it's treated properly. Effects on terrestrial habitat, again there's a recognition within the footprint of the site. There definitely will be a loss of terrestrial habitat. That's unavoidable. So we look at that, what is that habitat currently being

used for in terms of birds, animals. Is that habitat considered critical habitat in terms of the lifecycles of these species. If it's unavoidable how critical would this loss be. What we have found based on the species that occur there and with mitigation these effects are not significant for those species locally or regionally. Another issue of course importance is the effect of transportation. There will be additional demands on the current infrastructure that's in place, both from a construction perspective as well as operations. There will be additional traffic on those roads. There is a recognition that there most likely will be required upgrades to those -- to that transportation infrastructure. And so we were working with Nova Scotia Transportation and Public Works to evaluate what those upgrades would be and to work out a means of how those upgrades would be conducted. There are relatively few of the predicted residual affects are what we would call significant but there are two that we've identified that would require -- that we should evaluate or consider a little more closely. One would be the socio-economic effects. We considered -- what we found there was going a major economic effect

but it is a positive effect from the project. There is going to be substantive economic benefits from the project, from taxation, from spin-offs, from a number of things. We -- because this is a major effect, we call this a significant effect. The other effect that we noted was basically under aesthetics or visual impact. There is no doubt that the site as it looks now will not look the same. There will be changes to how that site looks from its current -- from how it currently appears. But we have balanced that with -- in terms of the relatively small receptors. The planned industrial zoning of this area. This area has been zoned by the Municipality for heavy industrial use. As well as the advantages to the -- of the project, what it brings to the local area. And the -- so we consider this overall effect as generally a medium. There is no getting around it. This is not something you're going to be able to hid. You're going to see it. It will change how it looks. But in the context of overall we do not consider this a major significant effect. Just to touch briefly, I run through this very quickly in terms of additional requirements, permitting and approvals. The EIA that

we're currently involved in in this process is one step in the long line of regulatory permits and approvals that will be required. Under the provincial regulations there will be permits required for the construction and operation of a petrochemical facilities, construction and operation of the power facilities, construction and operation of the waste water treatment facilities. In order to withdraw water in greater -- in excess of 23,000 litres per day, we'll require a permit from the Province for that as well. As well under Nova Scotia Department of Energy there is requirements to apply for permit for the construction and operation of an LNG facility. And this is administered by the Nova Scotia Utility and Review Board. Under the Federal process, again there are a number of Federal approvals and requirements, specifically the Proponent has applied to go through the TERMPOL process. This is a technical review of marine terminal systems. This process looks at things such as operational ship safety, shipping route safety, construction and operation of marine terminals as well as there's a requirement to conduct what we call quantitative risk assessment for system design,



emergency system planning, those type of things. This review is coordinated by Transport Canada and involves a participation by a number of Federal agencies to evaluate these types of things including Environment Canada and DFO. As well there -- as we heard today, there are some municipal by-law that would apply to the facility. The Proponent has committed to adhere to those by-laws in terms of how the site is developed and make sure it meets the criteria for the zoning that exists at that site. And in conclusion, generally the findings of the EIA, the conclusions of the EIA are that all potential negative effects that have been identified can be managed. There are means, either through engineering design systems or additional application and mitigation or issues associated with compensation that can manage these negative effects. The project will create employment and enhance personal income and generally increase economic benefits for the region and the local area. The project is currently -- is in compliance with the planned industrial uses of this location and it does meet the strategic direction of the Nova Scotia Department of Energy, Energy Strategy for Nova Scotia. The project can be

constructed and operated in a safe manner. These facilities are -- have a long track record of safety and this can be demonstrated very clearly across -- both worldwide and here in Canada. This industry -- both industries, the LNG industry as well as petrochemical industries are one of the most highly regulated in the world. These sites and these facilities are managed and watched over extensively by various regulatory agencies and oversight committees. As well as I mentioned this EIA is not the end of the road. It's essentially the start of the road in terms of additional regulatory permits. We'll be doing extensive work with regulatory agencies to supply information to them to ensure that all permits and approvals are in place before any of that work proceeds. So that's just a quick summary and overview. And we have a Panel here, who if -- once we get into questions and answers we can -- if there's information we can provide that would be helpful for you folks, we're available. So thank you very much.

THE CHAIR

Okay, thank you. So we do have time now for questions. If anyone's got particular questions for Keltic. I'll

just mention for the people at the back there there are a number of seats still available towards the front here. You're certainly welcome to come up and find a chair. If anyone has a question for Keltic. At this point we're just going to confine it to specific questions for them. There will be as I mentioned time at the end of the event if you've just got more general things, you want to raise an issue or ask a more general question. If you're going to ask a question please come to the microphone at the front here and identify yourself and the general area of where you live. That's for the record. And any questions should be addressed to The Chair and we'll determine who's best available to answer them just to make things orderly.

KELTIC PETROCHEMICAL INC. - QUESTIONED

MS. GAGNON

It's me again. Chantal, the Ecology Action Centre. Mr. Chair, I just wanted to ask if maybe in the future presentations by the Proponent if maybe the figure shown of the site project component includes a picture of Meadow Lake and the dam because the Proponent mentions Meadow Lake impoundment. But the figure

148 Keltic Petrochemical Inc., Questioned

doesn't go -- doesn't show where exactly that would be. So maybe in the future presentations just use that figure instead of the other one or both of them for clarity. Thank you.

THE CHAIR

Okay, I'll ask if it's -- I'll ask Keltic to consider that, if you can get that in place for future presentations of the events.

MR. DUNCAN

Yeah, absolutely. The figure's available in the EIA but we'll pull that into the presentation as well.

THE CHAIR

Okay, thank you. Any other questions for Keltic at all? Yeah, please.

MS. ALCORN

Hi, my name's Emmy Alcorn. And I live in Guysborough. And thank you for the presentation. That was great. It really helped to understand the process that you're going through. And I have a question about the reservoir at Meadow Lake. I guess my question is -- it's kind of two parts. I'm curious to know how much water is actually required during the life of the plant and how that corresponds to the amount water that's

available in Meadow Lake and if in time you'll need more water besides what's in Meadow Lake, do you have other lakes that you're targeting at this point.

THE CHAIR

Okay, thanks. I'm just going to ask the Keltic team to determine who can best answer that one.

MR. DUNCAN

Yes, generally we've described in the EIA that we would require, I believe it's 1,200 cubic metres per hour as a maximum for water withdrawal. For processed water and I should explain the impoundment, the reason for the impoundment and the dam at Meadow Lake. We evaluated Meadow Lake as a water withdrawal area. There are some times of the year where there's not enough water to withdraw and maintain downstream discharges or water flow situations. So that was the rationale for creating the impoundment. The impoundment and dam would raise the water level to a maximum of two metres above what it currently is. Meadow Lake's a relatively shallow lake so we're looking -- I think it's around two metres in depth now. We're currently expecting to raise that another two metres with the dam. That would allow for -- certainly

150 Keltic Petrochemical Inc., Questioned

meet all the water requirements for the existing facility and actually I think the water figures that we're quoting here are fairly conservative. So I don't think there's any requirement. At this time we haven't looked for any more requirement for additional processed water at all for that facility.

THE CHAIR

Okay, thank you. Anyone else with questions for Keltic? If not, we have four different intervenors who have registered for presentations for tonight. On our schedule we've provided 20 minutes for each of their presentations and we'll have about ten minutes for questions after each one. And we'll see how it goes. We are already ahead of schedule so we may have a little extra time but we would as I said, like to leave a good block of time at the end for anyone who's got a general issue or statement or question. First one being Chantal Gagnon who represents the Ecology Action Centre. As I said we'll have to get each of the presenters sworn in as they come up and Jim's going to do that now.

MS. CHANTAL GAGNON, (Sworn)

THE ECOLOGY ACTION CENTRE - PRESENTATION

MS. GAGNON

My name is Chantal Gagnon from the Ecology Action Centre. And the Ecology Action Centre is Nova Scotia's oldest non-profit environmental organization. And we work at helping to create a healthy and sustainable Nova Scotia. We received funding from the Canadian Environmental Assessment Agency to participate in these environmental process for the Keltic project. We've already reviewed the Environmental Impact Assessment and submitted our questions and concerns to the panel. Today we're just addressing the lack of clarity and consistency in the report. And how this affects the potential for proper assessment. Due to time restraints this is really just an overview and we're just going to be looking at two examples, the impacted area and the employment numbers. So according to the EIA, the Environmental Impact Assessment, the zoning in Goldboro was zoned from residential to heavy industrial approximately 2,833 or 3,238 hectares of which approximately 300 hectares has been allocated to Keltic. Now in the table to come and from reading the report it would seem that the acreages impacted by the site are over -- or used by the site is over 300

hectares both within the zoning but also outside of the zoning. So looking at -- the tables in these presentations were done very simple for brevity and just to bring to a point. The first section is -- the first column is the section of the report and then the basic definition, the number of acreages assigned and then a bit of clarity. The Panel has received these same numbers but with the full sentences and the full section that they refer to. So what we see here from this report -- what we see here from the tables is that the numbers vary from section to section within the report in regard to the hectares used by the project. And just looking quickly the -- in the introduction it says as I said that the site would require approximately 300 hectares for the project. And in the conclusion it says that in total the site would require approximately 300 hectares. However looking at various impacts for example, just one the removal of prey habitat for predatory birds says that it would go up to 400 hectares. So in this question is, what is that extra 100 -- why is there an extra 100 hectare if there's only a need for 300 hectares. And what's included in that extra 100 hectares, does that include



the marine drive that is being re-routed or -- and does that include land that is outside the zoning or land that is also within the industrial zoning. And this also in regards, the same sort of confusion comes from within the impacts to -- by the dam. In the description of the project it says the impoundment of Meadow Lake will flood approximately 295 hectares of habitat. But then in the mitigation side it says the impoundment of Meadow Lake will flood approximately 140 hectares of habitat. Now it's not a typo error. These numbers do come back throughout the report. So this of course raises the question of exactly how much habitat is being impacted by the flooding but also looking at the land around the dam it's not clear as to what -- how much land is being impacted by the pipes that need to be put in for the intake structure, any access roads that might be there, how much impact would be there as well. And the construction during the phase of the dam how much of that would also be impacted. Now, as I tried to confirm earlier today the land around the dam is not -- or around Meadow Lake is not part of the heavy industrialized zoning which means that whatever on land impacts that the dam and the impound may create

cannot be considered in -- or not -- cannot be assumed to be within the 300 hectares of land that is assigned for the project. So this leaves a lot of question but basically it becomes unclear reading the whole report how much land will actually be used by the site and how much land will be -- land and water will be impacted by the construction and operation of the site. And whether or not these numbers consider the maximum intent -- extent or just the minimum. And so it leads to some of the questions such as what is the total acreage of land and water being affected by the dam and what does this include? What is the total acreage of land and water surface being affected by all components of the project and one thing that needs to be clear as well is not only the actual acres of land being used but also the extent in case of a dam failure, in case of the petrochemical plant and the LNG if there was an accident there. Now the same in consistency, you can see were the employment numbers. During construction phase in the project description section it says that employment would peak at approximately 3,000. Then in another figure it says that the peak of required employees is 4,000. And then in the same project

description a little later it says employment should peak in the area of 4,700. Now between 4,700 and 3,000 it makes a difference in economic benefits but also in how impact -- how this will affect the assessment of the impacts for health and environmental impact as well. So in the report you can see here that construction of the Keltic site is projected to last three years, and will involve about 1,400 workers, working 6 days per week for 48 weeks per year. If it is assumed that all of these workers travelled from and returned to the Antigonish area each day, with 2.5 workers per vehicle, there would be an additional 1,120 two way vehicle trips per work day on the existing access roads. Now, later on, a little later, when look -- and this first paragraph is looking at vehicle traffic, and the impacts from that. And on the later paragraph there, the quote is:

"The facility is expected to employ up to 3,000 people, approximately 60 percent of the work force is expected to be housed in temporary construction quarters at the site."

And that's looking at health impacts in the project. So, here where it gets confusing is the use of the

1,400 workers estimated for the vehicle traffic. It's not -- when you come into that section, it's not explained right away as to what that number comes from. And because no other traffic route is considered in the assessment, other than that section, at first it sort of leads you to believe that that's all the employment. But, when you look at the second section, when you get into the health, you realize that maybe it's just the people who live in Antigonish. But even if -- still, if 60 percent of the work force is staying in the construction camp at the site, then what is the total employment number used for assessing the traffic -- the vehicle traffic? Because 1,400 is not 40 percent of 3,000. So, if the top -- basically, if the top employment is 4,700 people during construction, then that should be the number used for vehicle traffic, because the impacts then looked at is air emissions, collision rates, traffic density. And so, that would sensibly mean that there would be more vehicles on the road, and therefore, it would be a higher estimate. Now, looking, as well as, during operation, the employment during operation, it says here, throughout the site, that the total employment at full operation,

624. But then in another section, it says approximate employees at the plants is 500. And looking at water consumption and health impacts, the estimate is about 600. And here, where it -- again, these numbers become confusing is that the economic benefits in the report are assessed based on the full employment of 624, being divided with 280 for Antigonish, 155 for Guysborough County, and then the new residents. However, the -- looking at the traffic assessment, again, this comes from the report:

"During operation, the LNG and petrochemical plants, it has been estimated that there will be approximately 500 employees at the plant. 25% of the workers are assumed to live near the plants, and 75 percent live near Antigonish. There would be about 500 two-way trips per work day on access routes between Antigonish and the plants, if operation workers travelled with 1.5 persons per vehicle."

So, again, here, you come to why is not the full employment number of 624 used for assessing the 75 percent that would live near Antigonish and end up on

the traffic road, because there again, each -- obviously the collision rate would be higher, and the traffic air emissions would also be higher there, again. So, basically, these are just examples here today of a sample of the numerous occasions throughout the report that -- where estimates of impacts and benefits are inconsistent, and are not clearly explained. These same numbers, the numbers used for economic benefits, are not always the numbers used for impacts. So, the report sort of creates this unclear picture of where the impacts of the project will actually be, and it gives the impression to the reader, when you've read the whole report, that the report was sort of done in a rush, and that it seems to have overlooked the review of information between the various authors of the various sections. And in the end, it sort of creates a doubt as to the accuracy of the analysis, and the capacity of the proponent to actually implement effective mitigation measures, which consider all of the impacts of the project, because it seems that all the impacts are not necessarily considered. So, what the -- what we're looking at here is that we would like the acreages and the employment

numbers, among -- as well as the other numbers in the report, to be accurate, and used consistently in the assessment of the impact. And we would like the proponent to demonstrate that these numbers are based on sound analysis, and use the most cautious numbers for assessing the impacts. So, if it is 624 people being employed, then that's the number used. And if the total acreage is 400, then to be on the safe side and estimate 400, and not the lower number. In Ecology, we believe that the public should also be informed when these numbers are reassessed, and their related impacts and mitigation measures, as well, observed. The Ecology Action Centre would like to indicate to the Board that without clear, consistent and accurate estimates, the public and the Panel will not be able to accurately assess the extent of the effects of the project, both the negative and the positive ones, and nor determine the effectiveness of the mitigation measures, in addressing these impacts. Thank you.

THE CHAIR

Okay, thanks very much. We do have time at the conclusion of each of the intervenors for questions, if

any member of the Panel, or any of the public want to ask a question pertaining to the Ecology Action Centre's presentation. Nothing coming forward? That being the case, okay. Thank you very much.

MS. GAGNON

Okay. Thank you.

THE CHAIR

Our next presenter is Mr. Frank Fougere. Mr. Fougere, as we indicated, you just need to get sworn in, and then you can start.

MR. FRANK FOUGERE, (Sworn)

MR. FRANK FOUGERE - PRESENTATION

MR. FOUGERE

Good evening. My name is Frank Fougere, and I live in Isaac's Harbour. Back in the late '60s and early '70s, I used to drive truck for Guysborough Transfer. We delivered freight from Lincolnville to Canso, and around the shore -- when I say around the shore, that's Route 16 -- from Whitehead, around to Ghosn. At that time, there was quite a few stores, a lot of houses. And I probably been in every house in this part of Guysborough County. Anyway, today, most of these stores have gone, and people that have lived there most



of their life can testify to that. In those days, Canso was a real busy town. One of the biggest employers was the fish plant, and at that time, that was known as B.C. Packers. But they had restaurants, service stations, they even had a theatre down in Guysborough -- or in Canso in those days. In Goldboro and Isaac's Harbour, there were three stores, and we delivered everything from needles to anchors. Today, from Whitehead to Ghosn, there might be seven stores. I spoke to the owner of Guysborough Transfer here three weeks ago, and asked him how often they come to Guysborough County. He told me that they were to Canso two days before, to pick up a container of fish. And on that day, they had a layoff at the fish plant, and he doesn't know when they're going to be back. Then I asked him when he was last around the shore. And he said, "It's been years since we've been around the shore." He said, "In fact, the last time were down the shore", he said, "When we moved you to Isaac's Harbour", and that was ten years ago. I -- as I said, I'm from Isaac's Harbour. I'm a permanent resident. I've been there for ten years, and I plan on staying, no matter what happens. When I look back over the past

162 MR. FRANK FOUGERE - PRESENTATION

40 years, believe me, there has been so many changes, and the folks that have lived there all their lives have seen these changes themselves. Our roads are in terrible shape, schools are closing, restaurants have closed, fish plants have closed. We had a rec centre in Goldboro one time. That's closed. Bingos, which funded the fund raisers for these rec centres, and the Gun Club in Country Harbour, they've been cancelled, for lack of support. There was, at one time, a Legion in Charles Cove, and also, there was one in Goldboro. But there's not today. We have two convenience stores, one in Storemount, one in Country Harbour, and they are just barely surviving. Health care and -- is non-existent around the shore. Employment opportunities are almost nil. In Isaac's Harbour, and only there, in Isaac's Harbour, there are 46 houses that are vacant or part time residents. Since I came to Isaac's Harbour, there have been 24 deaths, and only 2 births. Now, tell me these communities are not dying. There are no opportunities for the young people to remain in their communities, due to the lack of employment. It is said that the young people are the future. Well, with the lack of young people in our communities, the future

looks pretty dismal. When I speak of the young people, I am referring to all those people in the District of Guysborough County, the District of Saint Mary's, and Canso. We got to try to keep these people here. We can't lose them to go west. We've got to give them opportunities to work here. The young people in Guysborough County, and for that fact, Eastern Nova Scotia and Cape Breton, leave and go west, seeking employment. With the Keltic project, these people will be able to stay, and the opportunity will be there for those out west to return, and have good paying jobs. The residents of our communities must travel to Antigonish, Port Hawkesbury, New Glasgow, and even to Halifax, for their basic services, for health care, education and basic family needs. In Isaac's Harbour, there is a building that is called a Medical Centre. This Centre is not manned by a doctor, nor even a nurse. In the fall, a health nurse comes out from Antigonish and administers flu shots. And that's the extent of medical services here. And education, the students in our communities have to travel by bus to either Sherbrooke or Guysborough. This certainly makes a long day for kids in the -- elementary students. The

164 MR. FRANK FOUGERE - PRESENTATION

school in New Harbour, which accommodated 500 students at one time, when it closed in 2005, there were only 14 students, and this school was demolished this past summer. Folks must travel, like I say, long distances for medical, dental services, groceries, school supplies, entertainment, and for all their basic needs. I have been involved with Keltic for three years. As a member of the Liaison Committee, I have spoken with many individuals in our communities, and the majority of them are excited, and support this project, and the spin-offs it will bring. Keltic has shared their project with the communities, having many general meetings, where the people can go and ask questions about the project. The Nova Scotia Community College have been there to explain courses and job training. Labour leaders have been there to answer questions, and there have been experts there that are doing the environmental study to answer questions. Keltic has committed to follow guidelines with industrial industry standards. In order to do this, they have aligned themselves with the industry's experts, and ensure the best available technology. I can't see Keltic or these experts doing a sloppy job, when this is such a crucial

part of the project, and the amount of money that it has spent so far. Two years ago, a petition was circulated. When it was brought to me, I was told that they wanted a full environmental study done, before the project could go ahead. I questioned the canvasser, as I felt there was a lot more to this than I was told. And apparently, after the petition was completed, the mandate was changed, that the undersigned were against the project. There were names on that petition from Newfoundland, to Alberta, and into the U.S. People, on hearing this, complained that they signed this petition for an environmental study, and that they were not against the project. I, and some other folks, canvassed District 7 and -- with another petition, and the mandate is as follows:

"Pending the successful completion of a comprehensive environmental review process that provides the opportunity for public input, we, the undersign, support Keltic Petrochemical Project to construct an LNG petrochemical facility in Goldboro, Nova Scotia."

This petition was completed in five days. 363

166 MR. FRANK FOUGERE - PRESENTATION

signatures were obtained. Of that number, 121 had signed the first petition, and wanted their names deleted from that petition. I would like to present to the Board this petition. The signatures with the Xs and highlighted by their names are the people that signed the first petition. In closing, I would like to say that our communities support this project, our work force needs this project, the opportunity of a lifetime for this and coming generations. Thank you.

THE CHAIR

Thanks, Mr. Fougere. We will accept the petition and that will be entered into the record.

MR. FOUGERE

Okay. Thank you.

THE CHAIR

Maybe just -- just before you get away, I just want to check if anyone in the audience has any questions for you, on your presentation. No? Okay. Thank you very much. Our next presenter is Mr. Stewart MacIntosh.

We'll just get you sworn in and ---

MR. STEWART MacINTOSH, (Affirmed)

MR. STEWART MacINTOSH - PRESENTATION

MR. MacINTOSH

Basically, what -- Frank just said everything I was going to say, so I won't take very much of your time. I'm here -- I'm Stewart MacIntosh from Guysborough. I'm a Local 244 member, we're Plumbers, Pipefitters and Welders. And some of my friends were calling from Alberta and B.C., knowing that this meeting was going on tonight, and they wanted to make sure that somebody was here to say, "Hey, we'd like to have some work." And right now, out of our Local, we have about 300, and up to 25 percent of them are out west, and all points around, working. Myself, I'm working in Truro. I get up, drive two hours a day to work. And I'd just like to have the opportunity to do it a little closer to home. That's all I have to say, gentlemen.

THE CHAIR

Okay. Thank you. Before you get away, I just want to ask, make sure, are there any questions from the audience for Mr. MacIntosh? No? Okay. Thank you.

Okay. The final presenter tonight is Mr. Ernie Kelly.

MR. ERNEST KELLY, (Sworn)

MR. ERNEST KELLY - PRESENTATION

MR. KELLY

Good evening. My name is Ernest Kelly, and I am one of

168 MR. ERNEST KELLY - PRESENTATION

the co-chairs of the Antigonish Guysborough Road Committee. In the late 1960s, my father, the late Bernie Kelly, was Warden for the Municipality of the District of Guysborough, and the late Tando MacIsaac, MLA for Guysborough, worked hand in hand to bring local schools and improve roads to the Guysborough County. Plus 40 years later, I stand before you, asking Tando's son, the Honourable Angus MacIsaac, Minister of Transportation and Communications, to work hand in hand with our committee, to make our dream, the Antigonish Guysborough Road proposal, a reality. If you'd please bear with me a few minutes, I will bring you up to date on what we have done so far. As you are well aware, the proposed highway was built -- proposed highway to be built by Petrochemical was rejected by the Department of Officials -- the Department of Transportation and Communications. The Antigonish Guysborough Road runs basically parallel to this proposed route, and offers an existing road to Goldboro for this project. The Antigonish Guysborough Road Committee was formed by local residents living in and near the existing route. The Committee is co-chaired by Loyola MacDonald, of Antigonish, and myself, from



Guysborough. The remainder of our Committee is composed of 10 more volunteers from both counties. Following our initial meeting, we collected in excess of 1,500 names in six days, supporting our proposal. The Antigonish area partnership and the Nova Scotia Building and Construction Trade Council also backed our proposal. Verbal support was given from many businesses, in both counties. The work was done in anticipation that Keltic Petrochemical, and other companies, would use this road to ship their products to market, and move supplies into the area. Loyola and I have met with Owen McCarron, Deputy Warden for Antigonish County, and Lloyd Hines, Warden for the Municipality of District of Guysborough, and they have both expressed their support for this proposal. More than half the route covered on this proposal is under both of these Council's Districts. In the movie Field of Dreams, one line that stands out is, "If you build it, they will come." The same holds true for this project. If Keltic builds a petrochemical and an LNG facility in Goldboro, then the people will truly come. Local residents who have moved away to look for work, will return, and others will follow, to become part of

170 MR. ERNEST KELLY - PRESENTATION

this new and exciting industry. People will move back to the local area to build their homes, build their new lives, and build their future. As a Committee, we feel that the Antigonish Guysborough Road is the best route, and the only route, to serve Keltic, as it moves its manufacturing goods to product -- to market. The Antigonish Guysborough Road is currently owned by the Province of Nova Scotia, and is maintained by the Department of Transportation. This route will have a smaller environmental footprint than the original proposal. It will maintain maximum social and economical benefits to the area. This route would also create a direct business link to the local area from Guysborough, through to Antigonish, and areas in between. In closing, I would like to thank you for giving me your time for making this presentation, and taking time to listen. I ask that you will take a close look at this proposal, and this route, and all the benefits it could be for this area, this Province, and for Keltic. Give your support to the Antigonish Guysborough Road, and make this the main road to Goldboro, and the main road to our future. Thank you.

THE CHAIR

Thank you, Mr. Kelly. And again, I'd ask if anyone in the audience has any questions for Mr. Kelly on his presentation? Yes? Come forward, please.

MR. MacLEOD

My name is Frank MacLeod. I live in Goldboro. I'm wondering why this is mentioned here now. The road was taken out of the project, I thought.

THE CHAIR

Sorry, the -- you're asking ---

MR. MacLEOD

The road is not in this project anymore.

THE CHAIR

No. That's correct. And maybe I could try to clarify. Keltic had proposed building a new road from Antigonish to Goldboro, basically. Our understanding, and it was not part -- nothing to do with our decision making, not part of the Panel's mandate, but the Department of Transportation and Public Works apparently indicated that that proposed road that Keltic was going to build, did not fit their provincial transportation plan, and that they did not have an interest in taking it over, once built. So, as I understand it, Mr. Kelly's proposal is for a slightly different, but similar

route. And he's proposing that that route be built by Keltic and/or the Province, I guess, in some fashion.

MR. KELLY

Yes.

THE CHAIR

So, his proposal is different from Keltic's original proposed road, but it does have similarities.

MR. MacLEOD

And this Panel is going to listen to this, then?

THE CHAIR

Well, we undertake to listen to all presentations, yes. Anyone who wants to ---

MR. MacLEOD

Even something that's not in the project?

THE CHAIR

Well, it's -- I think it's fair to say it's related to the project. You know, whether it goes forward or not, though, is really not within the mandate of the Board. We could make a recommendation to the Minister on it, if we choose to, but that would be a decision for the Province to make.

MR. MacLEOD

Okay, thank you.

THE CHAIR

Okay. Thanks.

MS. GAGNON

Chantal Gagnon of the Ecology Action Centre again. My name is going to be on there often, eh? For Mr. Chair and Mr. Kelly, maybe I'm a bit behind in dates, but has this proposed road been submitted to the Panel? Like, an actual figure and map? Because, for the last day or so, since I've heard about this road, I've been looking at local maps with a local paramedic, actually, trying to figure out if that road is a current, existing road, that connects completely down, or if there's maybe sections that would need to be built or -- I don't know if that can be clarified here tonight.

THE CHAIR

Okay. I'll ask Mr. Kelly to speak to that, but it's a good question. And actually, I was going to ask Mr. Kelly if your Committee can provide a map. We don't have a map, at this time, of the proposal that he's speaking of, but I'll ask him, maybe, if he could at least describe it a little bit for us.

MR. KELLY

You mean to have a map myself, or ---

THE CHAIR

Well, if there's -- if you have a map that you could provide to the Panel at some time?

MR. KELLY

I haven't a map with me, but when we did our proposal way -- or when we did our proposal and did our petitions way back when, we presented them to Mr. MacIsaac's office, petitions.

THE CHAIR

Okay. Perhaps if we could just get a copy of that. We don't have one at present.

MR. KELLY

Okay.

THE CHAIR

But maybe, could you just give a brief description of where you're ---

MR. MacLEOD

Basically, our proposal, the Keltic proposal, the original proposal, run from Beech Hill to Goldboro. And our route comes from the Pomquet River Road. It's the Antigonish Guysborough Road. It comes down through Antigonish Guysborough Road and to the County Line to Roman Valley, and runs across to Glencoe, to Erinville,

and then to Goldboro. But our route runs basically parallel to the existing route that you guys proposed on the original road proposal.

THE CHAIR

Okay. And, if you could provide a map of that to us at some early opportunity, we'd appreciate that.

MR. KELLY

Okay. Okay, then. I could have brought one this evening. I never thought, but okay.

THE CHAIR

Okay. We have another question?

MR. MacLEOD

Yes. My name is Bradley MacLeod. I'm Councillor for District 7. And I'm for the proposed route that Keltic has put on board. And if not, I would like to see 316 looked at. I'm not in favour of the route that this gentleman is proposing. Just for the record.

THE CHAIR

Okay. Thank you. Any other questions? No? Okay.

Thank you, Mr. Kelly.

MR. KELLY

Thank you.

THE CHAIR

Okay. We are well ahead of schedule. We have a lot of time left. This part of the program was set aside for just an open forum. If there's anyone in the audience who wanted to raise an issue, voice an opinion, ask a question, this is the time to do it. So, we'd invite anybody to come forward to the microphone. I don't want to cut you off prematurely. Anybody at all?

Okay, we have one.

MR. LONG

Good evening. Thanks for the opportunity. My name is Paul Long. I'm a lifetime resident of Guysborough. I'm a Guidance Counsellor here at the high school, and I'm the father of two teenagers. So, this is an issue, I guess, that's very close to what I do as a living, and as a parent. Very glad to see the opportunity for some economic development come to Guysborough. Every day, I guess, in school, I spend time talking to students about what they're going to do with their futures, and unfortunately, I guess, lately, there's been a lot of interest come into the school, students asking me, "What do I have to do, to get out west to get a job?" So, this is certainly something that's very nice to see, the change that this opportunity is



going to come. So, I guess one of my questions would be to the Panel, or to the people here is, what would our students have to do in order to be best prepared for what we hope is going to be a reality sometime in the near future? As a community volunteer, I'm the Chairman of our Waterfront Development Society here, and again, over a number of years that ExxonMobil's been in town, they've supported the school, in regards to a -- scholarships and bursaries and things like that. But they also have been very supportive of community groups, be it in Guysborough, wherever, in the County. So, hopefully, that type of relationship between the industry and the community will continue, and if there's anyone who would like to speak to that at some point, we'd appreciate that as well. And, I also happen to be involved with a lot of the -- with the Guysborough Amateur Athletic Association, which is another opportunity, I guess, to help young people do something in their community. And we're very hopeful that -- our recreation opportunities have increased over the last number of years, thanks to the Municipality, that's had great insight into what needs to occur here in Guysborough, throughout the whole

Municipality. And hopefully, if this does come to fruition, or the project does come through, which we hope it does, that your group will have some role to play in that, in supporting not only recreation, but education and economic development through tourism, through such things as our waterfront development plan. Thank you very much.

THE CHAIR

Okay. And I think Mr. Long had asked a question as to what should students do, to best be prepared?

MR. MacLEOD

Yes. Yeah.

THE CHAIR

And I'm going to ask -- I guess Keltic would be, perhaps, the best group to be able to answer that, or at least in terms of their requirements, potentially, for workers to be employed.

MR. DUNCAN

Sure. And I'll probably require some assistance from some of the other Panel members here. Typically, what would be -- what we'd recommend is as the project proceeds, and go through what we call a detail design or front end engineering design feed -- phase of the

project, we would be identifying specific occupations, or requirements, for trades and labours, for various components of the project. As each of these trades and labours are firmed up through the detail design, we'd be then going out and evaluating where there is capacity for those trades, either in the local unions, canvassing local community colleges, trade schools, to determine, you know, what trades -- what skills are available in the local community, to fulfil those requirements. At that time, typically, what we would do is go out to the community, have things such as job fairs or, you know, go out and have consultation or present information in terms of these types of labours, and these types of occupations, that would be required for both the construction of the project, but going further on into future in terms of operation. What kind -- as you can appreciate, this is a pretty -- you know, some of the operations are pretty high level, skilled labour. This is a -- you know, a pretty high technical jobs and occupations, that require a lot of training. But we are far enough in advance of the operations that there is time for those kind of trainings to take place. So, the first thing to do is

canvass the local area, to see what's available, and make people aware of the kind of trades that would be required. Canvass the local suppliers or the trade -- the trainers of these types of trades. And then -- and if required, we would provide additional training through unions, and through the contractor, who would eventually come on. They would require to make sure they have certified labourers and tradespeople on to do the work safely and properly. I don't know, Derek, if you can add to that or not, but that's generally the process that would be followed on this project, for sure. I guess the opportunity for students is, you know, get as much information. You know, Keltic has been pretty good about providing consultation in the community, providing information. That will continue, and they will be providing information as the project proceeds about the kind of trades that would be required. And I'd just encourage the students, if they're interested in these types of trades, to make sure they're -- they get the information about the project from the proponent, as much as possible, and seek out those type of training facilities, where they exist.

THE CHAIR

Okay. Thank you. Anyone else who would like to raise an issue? Sure.

MR. BUTLER

My name is Mark Butler and I work with Chantal at the Ecology Action Centre, and as I mentioned this afternoon I worked on fisheries, and I think it was in the County of Guysborough presentation that they mentioned that we're seeing rural communities across Nova Scotia but here in Guysborough hurting so much because of what's happened in the fishery and also because of what's happened in forestry. Those industries have been hurt by poor use of technologies, and I think probably 20 years ago in some rooms across Nova Scotia when some of these technologies -- or 30 years ago when some of these technologies were brought in, all we saw was jobs, we didn't ask any questions -- who could question more jobs, more plants, more fish? -- but we're now paying the price for that and people have to leave because there aren't the jobs in the fisheries and when new projects come along they look pretty good. So, I guess I just want to, you know, emphasize the importance of asking questions, and I

have a couple. So, with that introduction ---

THE CHAIR

Um-hmm.

MR. BUTLER

Now, in your opening presentation you mentioned the reason for citing the project here in Guysborough was the proximity or it's closer to some of the sources of the raw product that you're going to be needing. But at the same time I presume, since not much of it's going to be consumed here in Guysborough, that it's also farther away from markets. Now, I follow the LNG debate in North America a little bit, not a lot -- I don't put myself forward as an expert -- but it seems that in the States there's a lot of opposition to these projects because of concern about public safety, perhaps about some of the health impacts. Was that a factor in siting this project here versus in Maine or farther south? I know there's quite a controversy, I believe, in Hopewell, Maine and also associated with another one on the border between Canada and the US.

THE CHAIR

Okay. I'll see if Keltic can provide an answer to that.

MR. DUNCAN

I'll get others to jump in as required, but maybe this is a good opportunity just to speak to this whole issue of why in Goldboro, I guess. Again, as we tried to explain, the industry itself, and specifically the oil and gas industry, has been developing here for a number of years. The province has put together a strategy on energy development for the province. This strategy specifically looks at maximizing the uses or the benefits of natural -- offshore resources such as natural gas. One of the benefits or one of the advantages that they need to -- they evaluated or said needed to be evaluated was building upon those natural gas resources to ensure that there are greater benefits in Nova Scotia that are realized from these offshore resources. And the one thing that you can do by doing that is creating an industry around those things. It's one thing to bring the product to shore, the resources to shore, and then sell that to a market and transport it away, it's another thing to start building up -- taking materials, these raw materials, and doing something with them and producing that industry here locally. The subsequent thing that you would do after

that, of course, when you've got that kind of supply, is start manufacturing products. So, again, there is - - there was a vision here in Nova Scotia with the natural gas offshore resources to build upon those resources and build upon it for industries such as petrochemical facilities which would produce a product and which, again, would sustain itself through production of a product and eventually manufacturing using those products here locally. If you're going to produce polypropylene and polyethylene, the base product, it makes a lot of sense for manufacturers to start evaluating their proximity to the sources of those materials as well. So, you get this kind of benefit that starts to accentuate itself because of the -- I guess, the placement of this infrastructure locally. To get specifically to the issue of LNG, it wasn't -- the facility wasn't sited specifically because there was no concern in the community. That was not the issue when it came to siting the facility here. We understand that there are some opposition to some projects in the US, but there are a lot of projects in the US that are being proposed and that are being moved forward for development. Certainly when we



looked at the -- when Keltic looked at the site, it was based on future expansion, the existing infrastructure, but also when you have a community that's accepting of the technology, that's accepting of industry, that are looking forward to working with a proponent such as -- it certainly adds benefit to the project, it certainly makes these kind of developments much more advantageous to move through the process such as we're doing now. So, again, just to answer the question directly, there -- you know, the site wasn't selected based on no opposition, but certainly it's a component that helps enhance, I guess, the development of the project in the area.

MR. PURVIS

My name is Dave Purvis. I work for Shaw Stone & Webster. We design and build petrochemical plants and refineries around the world. This project started about four years ago and the concept was to use SOIE gas, extract the ethane and propane out of the SOIE gas and build a petrochemical facility here, and we went back to Keltic and said it doesn't make any sense to do that, the ethylene unit is too small, it's not world-scale, it's not world-class, your polyolefin units will

be too small, they're not world-scale, world-class. If you want to take an example of a world-class facility, it's the Nova Chemicals facility in Joffre, Alberta, which has got a capacity about the same size as you're planning for this ethylene unit, the polyolefin units are all world-scale, and they export their products to China, they also use some indigenously in Canada and they export to the United States. So, there's a very successful Canadian company with world-scale assets built on a very good feedstock advantage position in Alberta. So, what we did is we took the Nova Chemicals example in Alberta and said, how do we make that work on the East Coast of Canada. So, we said we need more ethane, we need more propane, where can we get that, and we said it's LNG. LNG with a high ethane and propane content from Russia, Egypt, other parts of the world, can be shipped to the East Coast of Nova Scotia and we can build a world-class facility based on SOIE gas plus LNG that's imported into -- onto the East Coast. It made a lot of sense because the steaming distances were short from some of these world resources of LNG. So, that's how we ended up in Goldboro with an LNG facility and a world-class -- or proposed world-

class petrochemical facility. Now, there's another story here as well. Most of the ethylene units in Nova Scotia are small, they're all 400 - 600 kilotons, they're all on the -- in the US Gulf Coast, they're in Sarnia. All of these units were designed 25 - 30 years ago. They're not in environmental compliance, they're going to take a lot of money to get them fixed. Most companies are looking at shutting down those old assets and putting their money into some of these new assets like the one in Joffre, Alberta. So, here's your opportunity. This is an opportunity to build a world-class petrochemical facility in North America that parallels the Nova Chemicals advantage in Alberta using LNG as a supplementary feedstock, and as more gas finds come on the East Coast they can supplement feedstock supply to this petrochemical complex. So, this is a petrochemical complex which has to be built now, because the US Gulf Coast will eventually do something. The dynamics are right to do it now. So, I'm just giving you the heads-up. Other people are thinking about this on the US Gulf Coast. Keltic has got to move fast to build this petrochemical facility, and the first step, of course, is the LNG facility. So, that's

-- I'm very passionate about this because -- I've got to tell you a story. I immigrated to Canada in 1970, I worked for Ontario Hydro and they shipped me out here to start up the heavy water plant in Port Hawkesbury. So, I spent a year living in Antigonish, travelling down the highway into Port Hawkesbury, so there's a lot of -- I've got a lot of passion for this project. I want to see this project happen for Nova Scotia.

THE CHAIR

Okay. Thank you.

MR. OWEN

Perhaps if I could just ---

THE CHAIR

Yes. Sure.

MR. OWEN

My name is Derek Owen. You've heard from David about the petrochemical side and I think you're also alluding to location relative to the gas that is produced out of the LNG. As we demonstrated in the handouts, the shipping distance from the vast majority of the LNG sources is shorter to Goldboro than it is to the United States and certainly the Gulf of Mexico, and those shipping distances are probably four to six days on

average shorter, if not longer. That represents a considerable amount of saving in money which is then -- makes the transportation that much cheaper. The other -- well, the strange factor is that one would expect that moving gas from Goldboro into the Northeast of the United States as opposed to moving gas from the Gulf of Mexico into the Northeast of the United States doesn't sort of, you know, ring true. You ask the question, why would you move gas from Goldboro into the Northeast of the United States when there's gas in the Gulf of Mexico? The gas system in the Gulf of Mexico is extremely bottlenecked and very complicated and it is much more efficient and cheaper, believe it or not, to move gas from Goldboro into the Northeast of the United States. So, that's -- so there are two aspects associated with the gas shipment. The first one, as I said, shorter shipping distances. The second one is easier access to the major market that needs the gas. In addition, of course, you've got a third aspect. As you know, the Sable reservoir is not performing as was expected, so Sable -- the duration or the life expectancy of the Sable project is shorter than ExxonMobil thought in the early stages. What this LNG

gas will do is it provides additional gas to supplement as that field declines, and instead of moving 400 million standard cubic feet a day or 500 -- as that drops off we will have -- through this gas we will have a supply that is going to Nova Scotia, New Brunswick and then on to the United States. The current Maritimes line has laterals in Nova Scotia, it has laterals in New Brunswick, so it is a gas source for Eastern Canada and the United States. So, from -- so if you put that in context with what David has just said, this is the perfect location for this facility. Thank you, Mr. Chairman.

THE CHAIR

Thanks. A further question? Yeah.

MS. GAGNON

Chantal Gagnon, Ecology Action Centre. I have a question but I also have a comment in regards to what all these gentlemen just spoke about. I've been looking at this project for six months now and there's still something I don't understand or, I guess, don't quite agree with in regards to the added value. You -- the report states itself that Sable Offshore doesn't have enough gas and that's why liquified natural gas

has to be imported. I understand if we harvest our wood that we then add value to it by making it into furniture before we export it, or if we harvest our fish and then we transform that at a fish plant and then we export that we've added value and increase jobs. It's using our own resources and it avoids using our own resources for the simple export. However, with this project we are importing gas in order to transform it into a basic petrochemical product and then export the gas and the plastic out. I don't see that being the same as added value to just our wood, because now this area -- or the petrochemical facility will be subjected to an imported source of a non-renewable resource, and as earlier confirmed that supply is not guaranteed at this time and the current countries that do supply these products are -- have human rights issues, have social equity issues and, well, one of the big future sources of natural gas, Russia, is playing hardball. So, I don't see the added value the same way, I guess, as the proponent does because I see that we have to import. So, to me, I see it as if we're importing wood to make little 2 x 4s and then exporting that. I guess that's how I see -- for those comments

by the proponent. The question I had was a little in line with what the schoolteacher asked in regards to training and employment, and Warden Hines mentioned earlier that the municipality has close to 30 percent unemployment or a little over that. So, I'm wondering what the proponent has in place -- maybe scholarships or funding assistance -- so that people on unemployment can afford to go and get the training required in order to be able to get those jobs. Some of them might not be able to afford going to school to get the little extra training that they might need in order to get some of the better paying jobs at the facility. So, I was wondering if, on that line, anything was in place or will be in place to try and provide funding for those who are the most in need of employment in this county and this municipality. Thank you.

THE CHAIR

Okay. Thanks. I'll ask Keltic to identify someone who can address that.

MR. DUNCAN

Yeah, there's probably a couple of people here who could try to address the points, I guess, and I'll rely on David and Derek to speak or add to these issues. I



guess on the issue of added benefit, regardless of the petrochemical industry being in place or not, if we do have declines in Sable and you've got existing gas infrastructure in place such as Sable gas plant and the Maritimes and Northeast system, these infrastructures are either going to be -- if there's a decline in the gas fields, they're either going to be decommissioned or they're going to find another source to import gas to utilize those systems. My suspicion is that these are pretty valuable assets, there's very few companies that would let these assets sit in the ground and not be utilized. So, regardless of the petrochemical industry, if there was lack of actual resources you're likely going to be importing natural gas regardless. What we're talking about with the value added is you import the -- if you bring in LNG or you're using Sable -- and we are planning on using the liquids in the Sable gas plant -- what we're suggesting, as David said earlier, is that there is not enough liquids in the current gas market or the gas in Sable to build these kind of large facilities that we're talking about, to make them economical. We need to supplement it with the liquified natural gas from offshore. The value

added, of course, is to produce the base product, the polypropylene, the polyethylene. Instead of -- these liquids in the Sable gas are currently shipped with the gas to the United States, they're not removed. There are some liquids that are removed and processed in Point Tupper, but the ones we're evaluating, the ones that we need for our material, for our facility, are currently still shipped in the gas. We're proposing to remove those materials as well as additional materials from the LNG and build something out of them, make something here in Nova Scotia that can be exported and sold in markets around the world. So, there's -- that is the difference, I guess, if there's a difference of opinion. We see that as a value added in terms of adding value to the current resource that's in place, as well as other resources that will be brought to the infrastructure that's currently in place. With regards to the training and any potential, I guess, funding for training, I guess maybe Derek could speak to that a little bit, please.

MR. OWEN

With regard to the training, we've -- maybe some of you know but not all of you will know that I was the

project manager for the Sable Offshore Energy Project. We built up an extremely good working relationship with the local community and we continue -- and we will continue this, Kevin and myself, through the liaison committee which we all -- which we -- which was reconvened, I think, on the first of November of this year, having previously shut down several years before. And I didn't realize that until the warden read the -- wanted the minutes approved from the last meeting, which were in 2002, I suppose. 2004. So, we will be looking at aspects associated with training and the first stage will be to discuss that with the liaison committee and to work out a program of how we can communicate the needs of the project with regard to training in all aspects, but initially we will be working through that liaison committee as the first stage in that process. The next meeting is in January.

THE CHAIR

Okay. But I think maybe just to elaborate on the question, I think what I'm hearing, though, is that there isn't any commitment to funding for training.

MR. OWEN

There is no commitment at this time to fund, there is a

commitment to meet and to discuss and to find the best way in which we could collectively carry out some training.

THE CHAIR

Okay. Thank you.

MR. PURVIS

I'd like to address the question on imports.

THE CHAIR

Just make sure you're close enough to the microphone, please.

MR. PURVIS

Yeah. I'd like to address the question on imports, just to explain how we import plastic into North America right now. The low cost producers of plastic is the Middle East. The Middle East exports its plastic to China, China converts those plastics into finished goods, those finished goods come back in container ships into North America and you'll find them in Wal-Mart stores and all over the United States. So, your real import is plastics but it's in a finished product. What we're proposing is you don't import the finished products, you import the feedstock to make finished products in North America. So, you know,

we're losing out to China and the Middle East here. We've got to do something in North America. And in terms of feedstocks it's not just LNG, we're looking at compressed natural gas from Newfoundland as a feedstock. The LNG is just a stopgap. If you find additional gas reserves off the East Coast of Nova Scotia, those will become feedstocks into the Keltic facility as well. So, you know, don't just think of imports as LNG, think of it in terms of what's really happening to us on a global basis, that we're being taken out by the Middle East in terms of the petrochemical industry. And right now I could tell you we've got \$6 billion dollars of backlog in my company for projects in the Middle East. I'm doing three Saudi projects for the Middle East in the Toronto office right now, so it's happening to us, and we're actually using Canadian resources to design these plants for the Middle East to eventually put ourselves out of business. Nova exports -- Nova in Joffre exports finished pellets, these things, polyethylene, to China in container ships out of Vancouver. They come back to Canada and North America as garbage bags and finished products in the same container that put the products

into China. So, we're trying to reverse a trend here.

MS. GAGNON

Could I ask for clarification on that?

MR. PURVIS

Sure.

MS. GAGNON

So, the plastic pellets that you have, they will be shipped to the United States to be transformed into ---

MR. PURVIS

And in Canada.

MS. GAGNON

Okay. So, they will be in Canada as well to transform into the final product?

MR. PURVIS

Yeah.

MS. GAGNON

Is any of that going to happen in Nova Scotia? Are we going to be ---

MR. PURVIS

It could do.

MS. GAGNON

--- manufacturing any of that in Nova Scotia?

MR. PURVIS

It could ---

MS. GAGNON

Probably not, because there's no industry for doing it right now, is that correct?

MR. PURVIS

Well, there's a converter industry in Montreal and other parts of Nova Scotia -- it could spawn a converter industry in the province.

MS. GAGNON

So, what are the chances of us importing the same final products but from the United States instead of China?

MR. PURVIS

It's unlikely. It's very -- that would be much more expensive. China is the low cost source of finished products right now.

MS. GAGNON

Right.

MR. PURVIS

And the difference is you've got to look at the feedstock advantage in -- you know, let me explain something. In Qatar, Qatar has natural gas and they liquify it.

MS. GAGNON

Um-hmm. Um-hmm.

MR. PURVIS

But before they liquify the natural gas they extract the ethane and the propane and they convert the ethane and the propane into polyethylene and polypropylene.

MS. GAGNON

Right.

MR. PURVIS

And those products then go to China for finished goods.

MS. GAGNON

But I think my question is still that the petrochemical pellets are going to be shipped out and whether they're done in the United States -- if they're done in the United States we're not going to be importing them because they're too expensive, so we're still going to be importing the final product from China because it's cheaper, if I understand what you're saying. Or at least that's my question.

MR. PURVIS

No, no, Chantal, you've got to -- the polyolefin and polypropylene business is a very sophisticated business. We have speciality products, and I'll give you an example of those, stretch wrap, the plasma bags



they use -- you see for blood, the one-litre containers you use for milk. They're all very specialized -- they're speciality polyethylenes. The commodity polyethylenes are things like garbage bags, kids' toys, things like that. So, what we are planning to do -- we've selected technologies that make speciality polyethylene pellets and they will go into the United States for things like stretch wrap, medical applications, et cetera, et cetera. So, we'll still continue to import low cost materials from China, finished products from China, but just for commodity plastic materials. So, maybe outside of this meeting I'll have a conversation with you, because we're dealing with a very complex -- a very complex -- business here, and that's why the Keltic partners are going to be companies like Dow, AZEL, and other people we're talking to.

THE CHAIR

I think maybe if -- maybe if I could try to clarify, I think the basic question was rather than shipping out the -- kind of the intermediate product, the plastic pellets, is there any scope for manufacturing the final products locally? And I think the answer from Keltic

probably is that that's not really their business at present, it would probably depend upon others to take that initiative and perhaps do that but I think that's kind of an issue that's outside the scope of assessing this particular product.

MR. PURVIS

Actually, this is our challenge as business people. We're going to decide how many customers we have, who are the most sophisticated customers, and target those customers, and we've actually done all that analysis. We know what our customer base is going to be, we've selected a part of the United States where the products are going to go, we've actually talked to converters in the United States about Keltic products and we've got them on board. So, it's happening. We've done the product segmentation analysis and we're very satisfied that the technologies and the products we're going to produce out of this plant are going to be very accepted in the US market.

THE CHAIR

Yes?

MR. MacLEOD

It's me again, Frank. Anyway, I've listened to what

you say. You can go to the Dollar Store and you can see what you can buy from China. Everything comes from there. In fact, there is a facility in the industrial park in Dartmouth that makes garbage bags out of this stuff. But what I'm going to speak about is the teacher from the university -- from the high school here, and he's so close to the children. If each and every one of us in this room put ourselves in that high school for 18 - 19 years of age, we're going to be finished high school, if we're not going to university where are we going? We're going to be leaving Guysborough County, I guarantee you that, unless there's something that happens for us. That's all I have to say.

--- (Applause)

THE CHAIR

Thanks. Any other questions, comments? Yes? Do you want come in farther.

MR. CONNOLLY

Ladies and gentlemen, members of the Environment Review Board, my name is Pius Connolly. And my brother, Dave and I own and operate Con and Con Construction Company of Guysborough, and it's been actually handed down to

us from my father. We have been in business for 31 years doing all types of construction from building homes, doing earth work with heavy equipment to all types of concrete work. Every year, because of the loss of people in the fishery, farming and forestry, our clientele is getting less and less. We used to operate from 10 to 12 months a year with as many as six to eight full-time workers. Now we are lucky to get in eight months of work with two or three men. This makes it hard to be able to survive during the off-season and make payments on equipment that is standing idle. I drive around the County of Guysborough a lot during the year and it's sad to see all the houses that are abandoned due to people being forced to leave and go elsewhere to find work. In closing, I'd just like to say our company is very much behind the coming of the Keltic project to Guysborough County. Between David and myself, we have seven sons and we'd just like to see them be able to stay home and find work here.

Thank you for your time.

THE CHAIR

Thank you.

--- (Applause)

THE CHAIR

Thanks. Anyone else? Yes?

MR. PERRY

Hello, my name is Shawn Perry, I'm from Monastery, I'm an electrician by trade, a unionized electrician. I belong to IBW, Local 625, and I'd just like to say that it would be great to see the project come, because the way it is now in our area if you get enough work to qualify for UI you're doing good. You've got to have two or three other things on the go just to make a living, and it would be real nice to see not only the construction jobs but the full-time jobs afterwards to -- so a person could earn a decent living in the area and support a family, because I have two young boys and job options around here are pretty slim, you know. So, anyways, I'd just like to say it would be great to see it come and hopefully it will and it would be good, you know, to see the work and to see -- like Suncor is having a job fair in Halifax starting tomorrow. So, rather than the thoughts of going out there, it would be some nice to be able to stay in this part of the country where you've lived, grew up, and make a decent living, and that's all I'm going to say.

THE CHAIR

Thank you.

--- (Applause)

THE CHAIR

Anyone else who would like to come forward? Yes?

WARDEN HINES

Thank you, Mr. Chairman. My name is Lloyd Hines. I've listened to the comments this evening and earlier today about -- particularly about the so-called sunset industries that as Maritimers we've had the pleasure of working at since John Cabot came across, forestry and fishery. To say mistakes haven't been made would be totally incorrect, mistakes have been made, but I think those two industries in Nova Scotia are doing fairly well, thank you. In the terms of forestry, Nova Scotia still has its pulp facilities. One of the largest producers in the world recently made a decision to continue its operation after a very, very difficult labour dispute that saw it go down for ten months, and they're back up and running. They've made a decision that Nova Scotia's a good place to have a sustainable forestry and that's what we have, and that sustainable forestry is due to the stewardship of the people who

work in that forestry, many of whom are in this room today, not necessarily full time but take some of their livelihood from the forestry in one form or another, and particularly perhaps it's appropriate now because the Xmas tree season is upon us, and it's a pleasure to go throughout the county and see the number of people that are engaged in that particular industry taking some part-time income out of that, exporting that product all over the world, and particularly into the US. The lobster fishery in Guysborough County I think has enjoyed a record season in this year. Anybody who knows the lobster industry knows that it's cyclical, and I'm sure it doesn't have anything to do with that offshore pipeline that Sable put in 9 years ago that provided all that good lobster habitat over there in Goldboro but their numbers are up significantly. And, as a matter of fact, the Minister of Fisheries has got a problem on his hand because he's seen more applications for assistance to the Fisheries Loan Board come out of Guysborough County than he's ever seen in its history. Now fortunately for us the Minister of Fishery is our MLA here in Guysborough, so it's all about timing. The question about Goldboro, why

Goldboro, and I think we perhaps had an opportunity to touch on that this afternoon, and it's not about anything except what has been explained here this evening, there's a tremendous export opportunity for the unused methane to enter the US market. There is a possibility for availability of product at that area. There's the appropriate zoning, the work that's been done to provide that. As I explained earlier today, it's about community sustainability which is what the municipality's involved with and why we're doing that, and I have to say that I'm a little resentful of people who have a superficial understanding of rural Nova Scotia, and particularly of Guysborough, constantly telling us what is good for us. We, contrary to recent statements in the press, are not donkeys or mules who like to have a carrot dangled in front of us that we will follow. We know what we're doing. We're very proud of our communities, and we're proud of our stewardship here. In terms of export of raw materials and that sort of thing, well, yeah, you know, I mean, that happens. We're exporting pulp. We're exporting the lobster -- we just can't eat all that lobster, and the French people like it a lot, too. But, you know



what, we're getting better at value-added activity. We're doing a lot better, especially in the forestry side, there is a lot of lumbering going on in the province. We've got a couple of excellent hardwood mills not too far away in the area, and you're absolutely right we've got to create that value-added opportunity so those jobs are here and not exported out of the area. However, I think the statistic that's out there about direct employment is that every job that's created by direct employment generates two-and-a-half other jobs. So that's pretty significant if we're looking at the kind of numbers that Keltic is talking about. That's the kind of impact that could affect the future of this province, not just this area. And I personally am aware of lots of companies that are waiting to hear the outcome of this permit process and are waiting to see the shovel in the ground at Goldboro so they can move in and populate that 8,000 acres of industrial zone land that we have in Goldboro doing secondary manufacturing using those pellets. And that's the opportunity that is there for us, and we can reverse this trend that's here, and we can provide those jobs and value-added opportunities in these

communities. Thank you.

THE CHAIR

Okay. Final call, anyone else who wants to step forward? Any questions or comments? Okay.

MR. BUTLER

I don't know if I should, but I guess the point about the state of the fishery, the state of the forestry, that was a couple of points in the Guysborough County presentation, loss of jobs in the fishery, loss of jobs in the forestry. I used to work in the fishery. Things -- you know, I'm familiar with the lobster fishery. I'm familiar with some of the fisheries that have emerged to take the place of the ground fishery, but we sure have lost the ground fishery, and it used to be -- employ a helluva lot of people and it's sad to see what's happened, I guess. And my point being let's ask questions. It's good to ask questions, be it here in Guysborough County or Halifax or Toronto. I think sometimes we don't ask enough questions, and by asking questions sometimes you get improvements in -- I don't know, when you buy a house or when you buy a car or when you -- you know. We may have different views on this project but I don't think there's anything lost by

asking questions, "What are going to be the health impacts?" because we know that the folks living around Sarnia or some of these other petrochemical facilities you now read about it in the media that they're suffering from this or that, and maybe at the time those things were built we didn't ask enough questions. I understand that the technology used in this project is going to be better than some of the older facilities we have in North America, but 10 or 20 years from now we may be asking some questions about the health impacts from this project. So that was the point I want to make. I appreciate the comments you made but I just want to -- I'm definitely -- you know, we respect whether you live in Halifax or Sydney or Meat Cove or Guysborough. There's a lot of smart people in this province.

THE CHAIR

One final call, anyone else? Okay. That being the case, we'll adjourn here and our next session will be tomorrow afternoon and tomorrow evening in Sherbrooke. Thank you very much.

(ADJOURNED TO WEDNESDAY, NOVEMBER 22, 2006 AT 1:30 P.M.)

## CERTIFICATE OF COURT REPORTERS

We, Gwen Smith-Dockrill, Sandra Adam, Ruth Bigio, Janine Seymour and Lorrie Boylen, Court Reporters, hereby certify that we have transcribed the foregoing and that it is a true and accurate transcript of the evidence given IN THE MATTER OF: NOVA SCOTIA ENVIRONMENTAL ASSESSMENT BOARD - KELTIC PETROCHEMICAL AND LIQUEFIELD NATURAL GAS FACILITY, taken by way of electronic recording pursuant to Section 15 of the Court Reporters Act.

---

Gwen Smith-Dockrill, CCR  
Sandra Adam, CCR  
Ruth Bigio, CCR  
Janine Seymour, CCR  
Lorrie Boylen, CCR

Tuesday, November 21, 2006 at Halifax, Nova Scotia