

# Not a perfect deal: opposition MHAs

*Concerns raised over industrial, labour capacity*

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THE TELEGRAM

While the Hebron agreement may mean billions for the province, opposition MHAs say there are still weak points that need to be taken care of so people in this province get the most out of the oil development.

NDP Leader Lorraine Michael said the agreement is superior to earlier oil developments, such as Hibernia, where the federal government got a bigger share than the province.

However, she said she's concerned the oil partners and the province won't be able to live up to all the commitments made in the agreement.

"I'm going to be looking for how the promises there are going to be kept, especially with regard to the use of our labour," she said.

Three topside components to the Hebron platform are supposed to be built in the province, while one will be bid on internationally. However, there are stipulations in the agreement that state that if there aren't enough workers to build the modules or facilities available for the construction, the companies can look for contractors outside the province to do the work.

Michael said the province has to work to make sure the structures get built here.

"An awful lot more is going to have to be done to ensure that we have the capacity," she said. "I want to see more around training, because what the government is doing is insufficient. We need a lot more work around the apprenticeship program issue."

She said that given the training that will be needed, a \$1-million commitment towards Memorial University and the College of the North Atlantic included in the agreement seems small.

Michael also said the oil companies and the province will need workers to come to the province in order to fulfil the need for labour. But she questioned whether they'd be willing to pay the salaries required to attract skilled workers.

"If that doesn't happen they aren't going to come back."

Liberal MHA Kelvin Parsons said any deal that brings work to the province is good. However, he's also concerned with the possibility the work on structures on the topside of the platform will be outsourced.

"You want to ask the question of

how many million person-hours of employment are going out of the province because of that one," he said.

Parsons also said he'd like to know how much time the co-venturers in the project will give businesses in the province to get their workforces in place before they start offering contracts to companies from away.

He said the province can put incentives in place to get the workers available, but overall it will likely come down to the competitiveness of the marketplace and wages offered by the Hebron operators.

In a news release issued Wednesday afternoon, Liberal Leader Yvonne Jones reiterated Parsons' concerns about the modules and the limited workforce. However, she said she's also concerned that the province's 4.9 per cent equity stake in the project could cost the province more money in the long run.

"Should there be any significant cost-overruns or environmental liabilities, the people of the province will be on the hook for a portion of those costs. That risk could have been eliminated through a revamped and strengthened royalty regime," she said.

Federal Fisheries Minister Loyola Hearn also issued a short statement on the agreement, calling it "great news" for the province.

Meanwhile, Municipalities Newfoundland and Labrador president Graham Letto said he's hoping a fair chunk of the \$20 billion in profits expected to be raked in by the province will go towards improving infrastructure in communities.

"Entering into an agreement like this, where you're talking billions of dollars, that has to translate somehow into our municipalities in the form of infrastructure," he said.

Issues such as poor drinking water, sewage treatment and rough roads have to be addressed, said Letto.

Paradise Mayor Ralph Wiseman said his community is already reaping benefits from the announcement.

He said the town made an agreement Wednesday morning to expand the industrial park by 57 acres, and an oil company will likely announce Friday plans to move its business to Paradise.

Like Letto, he thinks the money will allow a better standard of life for people in the province.



Lorraine Michael



Kelvin Parsons



Yvonne Jones



Graham Letto



Ralph Wiseman