

# CONSTRUCTION MONITOR

The BC CONSTRUCTION MONITOR is an ICBA publication providing ahead-of-the-curve information and statistics on the BC construction industry and issues relevant to it.

The Monitor draws on analyses and outlooks from various sources, and provides current and substantive insight. This regular publication is intended for industry executives, government decision makers, journalists and other opinion leaders.

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You can receive the Monitor in print or digital formats, and let us know if you have colleagues who would also be interested in it. We also welcome your feedback and story suggestions. Please email us at [info@icba.ca](mailto:info@icba.ca).

## We're a world leader in building pipelines that bring lasting benefit



Philip Hochstein

Resource development is one of Canada's time-tested creators of employment and wealth. A modern, federally regulated project such as the \$5.4 billion Trans Mountain oil pipeline expansion is a good example of this.

While Canada is a world leader in pipeline technology, we're limited to selling nearly all our oil into a glutted midwest United States market. Trans Mountain wants to expand capacity of a pipeline that has operated successfully between Edmonton and Burnaby for 60 years – and get Canadian oil to higher paying markets.

The project creates \$18.5 billion in economic benefits improving Canada's balance of trade, and supporting health care and education. It provides

108,000 person-years of employment including skilled and semi-skilled labor; engineering, manufacturing, financial services, and transportation. During construction, workers in communities along the project route will spend \$560 million on services including accommodation and food.

Burnaby, home to the western terminal for the pipeline, can expect total municipal tax payments of at least \$264 million over 20 years of operations. Trans Mountain is already Burnaby's third-largest taxpayer. New revenue each year could pay for 132 extra firefighters, or the full cost of garbage collection.

For contractors and workers, this project can be one of the important segments of a long, well-paid career in the construction industry. For Canada, it's a reminder that the resource industry creates opportunities that are essential to the nation's economic health.

## A winning proposition for Canada: key facts

Since 1953, the Trans Mountain Pipeline system has been safely and efficiently providing the only West Coast pipeline access for Canadian oil products. The pipeline has been adapted over the years to meet evolving needs. A proposed expansion will, if approved, create a twinned pipeline that would increase the capacity of the system from 300,000 barrels per day to 890,000.

Trans Mountain proposes to spend  
**\$5.4 billion**  
to expand its oil pipeline between  
Edmonton and Burnaby.

**36-INCH PIPE**, manufactured from  
high-grade steel to  
**stringent Canadian Standard  
Association specifications.**

**\$2 million per day  
over 20 years**  
in additional tax and royalty  
revenue to government.

Twinning the 1,150 km pipeline creates  
**108,000**  
person-years of work and  
**\$18.5 billion**  
in benefits to Canada.

# PIPELINE TO A STRONGER BC ECONOMY

## Key facts about pipelines

- 1 94%**  
Percentage of transportation demand in Canada supplied by refined petroleum products
- 2 More than half**  
The homes in Canada are heated by natural gas
- 3 5.0 litres**  
The amount of liquid spilled per million litres transported by pipeline in Canada between 2002 and 2013
- 4 More than two thirds**  
Of Canada's energy demand is met by natural gas or products made from crude oil
- 5 \$81.7 billion**  
Value of Canadian crude oil and natural gas exports in 2013 — most of which was transported by pipeline
- 6 97%**  
The percentage of Canadian natural gas and crude oil production transported by transmission pipelines
- 7 2.5**  
Number of times Canada's natural gas and liquid transmission pipelines would circle the earth if laid end-to-end
- 8 4,200**  
It would take an additional 4,200 rail cars to transport the 3 million barrels of crude oil moved each day by pipeline in Canada

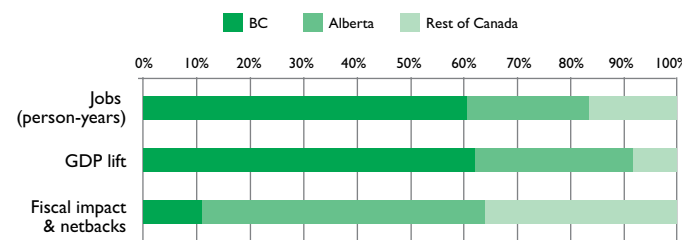
**0.15%** Amount of global greenhouse gas emissions

that come from Canadian oil sands development. China contributes 26.18%, the USA 17.17%.

Source: www.energy.alberta.ca/OilSands/pdfs/AlbertasOilSandsFactsJan14.pdf

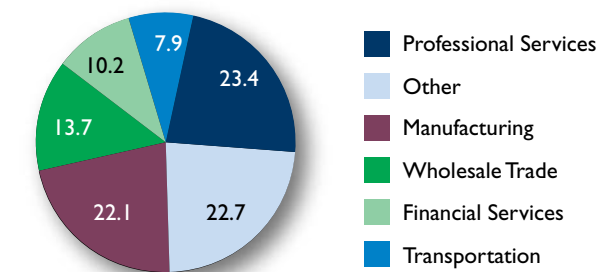
### Who gets the benefits?

This chart shows where the impact of the TMEP project will be felt across Canada. BC is the biggest winner in jobs and increased GDP. Where Alberta will see its benefits rise is in the fiscal impacts and netbacks from oil extraction (i.e., royalties, cost to produce and process oil). The rest of Canada also sees benefits, though on a smaller scale.



### Biggest impact throughout BC

Key sectors that would see supply-chain effect. (% share of supply-chain employment effects)



Source: The Conference Board of Canada

*"We must continue to say yes to responsible resource development. Kinder Morgan's Trans Mountain pipeline expansion will help to provide our province with the unprecedented economic growth."*

— Philip Hochstein, President of the Independent Contractors and Businesses Association of B.C.



Every year, the City of Burnaby will receive enough municipal tax

revenue from the expanded pipeline to fund the city's public library system with enough left over to fund 29 additional library staff positions.

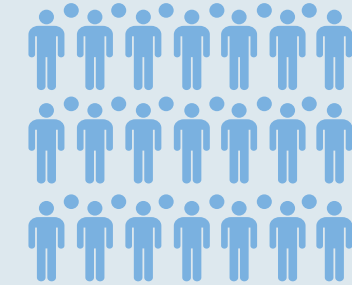
Total BC municipal taxes paid for the expanded pipeline will equal:

**565 senior teacher salaries every year for 20 years.**

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Every time a tanker docks at Westridge Marine Terminal in Burnaby, it brings

**\$310,000 in value to the local economy.**



In Burnaby, in one year alone, tax revenues could be used to hire **132 EXTRA firefighters** or more than cover the annual garbage collections costs.



*"Our project can create thousands of jobs and billions of dollars in new government revenue, without compromising our commitment to social responsibility and environmental protection."*

— Ian Anderson, President of Kinder Morgan Canada

### Metro Vancouver workforce opportunities include:

**1,204 workers per month at peak construction phase**

**15,054 total full-time worker months**

**655 workers per month, average for entire construction phase**



# A key player in Canada's economy

Canada's experience with pipelines dates back to 1853. The discovery of abundant oil and natural gas in the 1950s triggered a boom in pipeline construction and energy production in Western Canada. Today, oil and gas exports are a mainstay of the national economy, and Canada is a world leader in pipeline technology.

## Commitment to safety

- Technical pipeline standards are part of federal and provincial law, and are continually updated.
- Canada is a world leader in pipeline technology, developing the world's first standard for corrosion coatings in the 1980s.
- Pipeline inspection tools developed in Canada are used worldwide to look for things such as cracks, or shifting ground.
- Kinder Morgan and other members of the Canadian Energy Pipeline Association spent more than \$1.4 billion last year on pipeline safety.

# 94%

of the energy used for transportation in Canada comes from petroleum products.

## Safeguarding pipeline operations

The Trans Mountain Expansion Project crosses up to 500 rivers and other water bodies, eight provincial parks, up to 15 First Nations Reserves and numerous traditional aboriginal territories. It's fair to wonder what safety features are in place.

- Modern, high-toughness steels that resist corrosion
- Heavier pipeline walls at key locations
- Non-destructive testing of all welds
- Inspection and cleaning modules that travel through the inside of the pipeline
- High-performance coatings
- Alarms to alert control-centre operators of an issue

# 1,024

Number of British Columbia suppliers supported by pipeline companies.

Canada's transmission pipeline network is more than three times the length of Canada's national highway system.



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