

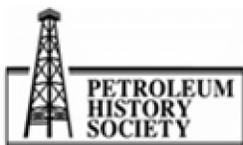


PETROLEUM HISTORY SOCIETY
OIL SANDS ORAL HISTORY PROJECT
TRANSCRIPT

Terry Burton was born in South Brook, Hall's Bay, Newfoundland, on May 18th, 1954. He received a Bachelor of Commerce degree from Memorial University in 1976 and then went to work for the Bank of Commerce for approximately one (1) year. In 1977, he joined the Bechtel staff at Syncrude in an administrative role in payroll, the goal being to help pay off his student loans. He left Bechtel at the conclusion of the Syncrude construction project and next worked for Burroughs (now UNYSIS a computer maker) until the end of 1978 and then returned to Newfoundland because his Mother was ill. He returned to Fort McMurray in the early 1979 timeframe to work for Bechtel at Suncor. On March 10, 1980, he moved to Catalytic Maintenance Inc., at Suncor as the Site Labour Relations Supervisor. Catalytic then transferred him to Syncrude where he worked from 1984-85. In 1985, he returned to Catalytic at Suncor in Labour Relations and in 1978 became Catalytic's Superintendent of Extraction at Suncor. In November 1989, Catalytic transferred him to Calgary as Corporate Manager of Labour Relations Western Canada and in 1991 became Catalytic's Manager of Labour Relations Canada. Catalytic Canadian arm was established in the early 1950s in Sarnia, Ontario, and focused on doing maintenance work at refineries and petro-chemical facilities including Shell and others in the Sarnia Industrial Valley. They moved west in the 1960s working first at Suncor, Dow Chemical in Fort Saskatchewan and, then, Syncrude. The company went through various purchases and is now owned by Jacobs out of California and has approximately 40,000 employees worldwide in the areas of engineering, construction, maintenance and a number of other specialties. Burton joined Shell Canada in June 2004 as Corporate Manager of Labour Resources and retired in January 2011. His primary work at Shell included the development of the labour plans and strategies focused on craft employee acquisition and retention for the Scotford and Jackpine Expansion operations as well as projects such as the Mackenzie Gas Pipeline, Turnaround and Shutdown maintenance, the Peace River Expansion Project, the proposed new Sarnia refinery and a number of other projects.

DATE AND PLACE OF BIRTH: 18th May, 1954 in South Brook, hall's Bay, Newfoundland

Date and Place of Interview: 8:30 am October 5th, 2012 in the Sutton Place Hotel in Edmonton



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Consent form signed: Yes

Initials of Interviewer: AD

Transcript Reviewed by Interviewee: Yes

Last name of subject: BURTON

AD: My name is Adriana Davies, and I'm a researcher/interviewer on the Petroleum History Society Oil Sands Oil History Project. It is 9:15 on October the 5th, 2012, and I'm interviewing Terry Burton. Terry, good morning.

TB: Good morning.

AD: Thank you for agreeing to the interview. Now, you have had an illustrious career in the oil sands, but can you just give me a summary, as it were, of your life—where you were born, your educational background, and then a summary of your working life and then we'll get into the particulars.

TB: Sure, thank you very much for this opportunity, and I appreciate the initiative being undertaken for the Province of Alberta and our industry. So my background ... Actually I grew up as a kid in small-town Newfoundland. It's called South Brook, Hall's Bay. I spent approximately 18 years there and then went to university at Memorial, from 1971 until 1976. I worked briefly in St. John's and decided to come to Alberta to pay off my student loans. So I went to work at the Syncrude project when it was being built by Bechtel, and worked there until 1978. I took a break shortly thereafter and came to Edmonton and worked with a computer organization called



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Burrough's and worked with them for approximately a year, then went back east because there was some sickness in my family with my mother. Spent some time with her, then came back out to Alberta again and started work at the Suncor site for Bechtel when they were doing a major compressor job. In 1980, March the 10th, I started work with Catalytic Maintenance Enterprises and worked with that organization throughout a number of buyouts until basically June of 2004 in various roles in Labour Relations as well as Superintendent of Suncor Extraction and Labour Relations basically for Western Canada and Canada. And, then, on June the 4th or June, I should say, of 2004, I joined Shell Canada as the Manager of Construction Labour Resources, associated with the construction at the Jackpine Mine as well as the Scotford Upgrader and a variety of other areas. Retired on January 31st, 2011, and went back to work, or sorry January 31st 2010, and went back to work on February the 6th, 2012 with two organizations called CISAA and ACTIMS.

AD: Thank you so much. So what did you do your degree in at Memorial? I know that you mentioned that. Could you just clarify?

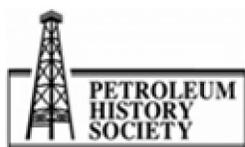
TB: Ya, actually, I did a degree, a Bachelor of Commerce at Memorial, with a major in industrial relations and personnel. And again, that was from 1971 until 1976.

AD: So do you want to tell me about the first job in the oil sands. How did you get it and what did you do?

TB: Actually, my reasoning for coming to Alberta, at the time, was that I knew there was a fair amount of economic activity taking place, I'd been on a student exchange in Grade 10, where I came out to Alberta and went to Medicine Hat. We had gone through Edmonton and Calgary. I wanted to pay off my student loans, and there were some folks I knew working at the Syncrude and at the Suncor projects, and there was a lot of job opportunities with Bechtel when they were building Syncrude. And I saw that as an opportunity, actually, to pay my student loans off rather quickly, so I worked with Bechtel during the day and I worked in a bar at the Syncrude site at night, called the Muskeg Bar, to ensure that I was actually earning money rather than spending money [laughter].

AD: So, was it in the personnel area then, this first job?

TB: Yes, when I was working at Bechtel, I was actually working in the admin/payroll type things, and went through that role for a period of time. And then I left and went to Edmonton. The project was finished. As a matter of fact, we were downsizing. Syncrude was in startup mode. And then I went and worked for a computer organization in Edmonton. And then went back and did a similar role with Bechtel at Suncor. And then joined Catalytic Enterprises, now Jacobs. It was Catalytic Enterprises at the



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time, in a labour relations role. I was the supervisor of labour relations, and I think I was 26 or so, so I was relatively young in that role. And it kind of fit in to what I did as a degree, which was industrial relations and personnel.

AD: So how did you get the job with Bechtel?

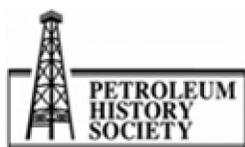
TB: Well, actually, there were some friends that I knew who were working at the Syncrude site, they recommended I apply for the position. And actually I filled an application out and went and met with their personnel manager and they were looking for folks. The job wasn't paramount in my mind; it wasn't something that I was extremely qualified for but where I had a bit of background with respect to accounting and that kind of thing from my degree as well as some work I had done with the Bank of Commerce. So I kind of fit into it.

AD: There was no difficulty in getting a job at that point?

TB: No, as a matter of fact, in Fort McMurray at the time I believe the average age was less than 30, and I was certainly in that demographic. And, again, Bechtel was looking for individuals that were available to work on that project and I was committed to it and I think they knew that. So I was going to be there until the end of the project because I had a goal in mind, and that goal was my student loans.

AD: Now, you went home. Your mother was ill. So what then was the reason for coming out which, of course, really laid the ground for your career in the industry? Do you want to talk about that?

TB: Ya, I had always seen Alberta in the research that I had done when I was at university and actually when I came out for that period of time at Bechtel as being the land of opportunity from my perspective. So, I thought that economically it would be beneficial for me to do this. And it was always about getting a foundation underneath me financially to do a variety of things. And some of it was travel, of course, and variety of other issues to do with what I was intending at the time. And I think to me Alberta was on the move, so to speak. And the oil sands industry was something that I saw with longevity with it. There were challenges in the industry, but looking at oil from a world perspective, I couldn't see how that resource couldn't be and wouldn't be developed further. So it was a bit of gamble, in a sense, but I also wanted to explore something different. And coming from the East coast there were a lot of my countrymen here as well, and there were a lot of folks from across the world. So, I found it as a very interesting area. I found that I met lots and lots and lots of people. So, being a bit of a social butterfly at the time, it worked out very well for me.



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AD: So then the second phase of your involvement in the industry was initiated when and how then did you come out?

TB: Actually, the second phase, in a sense, if you take it from when I started work with Catalytic Enterprises. So, I was finishing up the job with Bechtel when they were building a compressor, a large compressor job at the Suncor site, and a friend of mine indicated that there was an advertisement for a person to look after labour relations for Catalytic. And I'd indicated to him that I wasn't sure that that was something that I wanted to do, because that was going to be a long-term commitment, and I wasn't sure that I would make that. But after talking with my family and a variety of other people I put in a resume and was interviewed for the job and actually got it and started work with them on March the 10th, 1980. So, to me it was, I can't say I really planned to fall into that career, but I did fall into it so to speak and it was probably the best thing I ever did, to be quite honest with you.

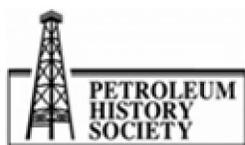
AD: So tell me a bit about Catalytic.

TB: So Catalytic actually started work as a company in Sarnia. It was back in the mid 50s. They were the first maintenance-type organization in Canada. The parent corp was out of the U.S. So their work started in Sarnia and the oil sands business was something they were involved in through GCOS at the time. And they were also at that time frame looking to expand their business into the the Dow Chemical plant in Fort Saskatchewan, the Syncrude project in 1978, which they did and started work at, Canadian Fertilizer in Medicine Hat as well.. So, Catalytic was the largest maintenance organization in Canada. And, I believe, to this day, they still are the largest organization, if you take the name Jacobs right now, I think Jacobs is probably a 40,000-person organization.

AD: So what did your duties then involve?

TB: Specifically, I was responsible for the acquisition of labour for the project. I was responsible for some of the collective bargaining or at least participating in the collective bargaining, responsible for agreements, handling arbitration, apprenticeship programs, things associated with the craft workforce that we were employing. And our craft workforce was on average four to five hundred per day, and if we did project outages where there was a furnace or turnaround that could easily go up to over a thousand.

AD: So give me an idea about your typical day or week.



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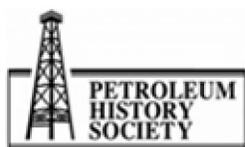


TB: A typical day I guess associated with the plant was making sure again that we had the supply of craft labour that was required. I was quite involved in apprenticeship programs at the Suncor site. It was my belief, and my company at the time as well as our client, that we needed to grow our workforce as much as possible. We always saw us supporting the local community with the kids, well I will say “kids” in quotation marks, from Fort McMurray, giving them an opportunity to participate in the trades. We obviously dealt with the unions in Edmonton, and they had lots of folks that they would dispatch out to our projects in that regard; so, certainly the acquisition of craft labour was the focus. One my roles, again, was to make sure we had labour peace on the project, so dealing with issues that came up where there was friction between different people, if there were collective agreement interpretations that needed to be done, if we had payroll issues, or whatever. So, it was a general, overall view, and one never knew what the day was going to be, to be quite honest, because things are fluid, and when you have 500 employees or more, things can change on a dime, and it depends on what was taking place in the plant as well. But generally, those are the kind of things that I was looking after.

AD: Do you want to talk about the unions, the range of unions, and other trade organizations and construction groups that you dealt with? Just to give us an idea of the scope.

TB: Sure. The Building Trades were the group that we dealt with, and when I say Building Trades, I’m talking about the Building Trades of Alberta—obviously they have international affiliations—but we’re talking about organizations like the Boilermaker Union, the Carpenter Union, the Labourers Union, the Millwright Union, Operating Engineers, Pipefitters, Teamsters and Sheet Metal, etc. . There’s a large number of the Building Trades unions that we dealt that were part of the collective agreements we utilized and integral to our success. Another group that I dealt with, which in my mind was absolutely integral to the maintenance business at the time, and still is, is the General Presidents’ Committee—that’s a nationally-based group—and the National Maintenance Committee. So, these are the groups that I dealt with throughout my career so to speak, and then there are a variety of contractors’ associations that I participated in as well. The Boilermaker Contractors’ Association, the Electrical Contractors’ of Alberta, the Construction Labour Relations Association of Alberta, and the Industrial Contractors’ Association. So, the industry is actually fragmented, so to speak, and a lot of players—labour providers, contractors, owners, and certainly a number of government folks that are involved in the process as well. So, I found that to be of great interest, and it always gave me the opportunity to be out doing something different and learning something different.

AD: Do you want to give me some specific examples relating to the work? Let’s talk about, you mentioned apprenticeships. Do you want to talk about what the work in that area involved?



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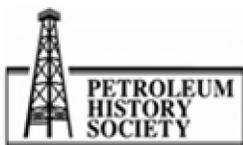
TB: Sure. Apprenticeship, in my mind, from a philosophical point of view [is an issue] facing our province, certainly facing what I would call our business community. And, if we are going to grow our workforce for the future, we have to focus on apprentices. So, that's always been a mantra of mine since I was very young, and I've carried it forward, so I'm a member of the Alberta Apprenticeship Board, as we speak, and have been for the last four years or so. But when I was at the Suncor site, and certainly when I was in a corporate role at Jacobs, it was always something that I thought we should focus on. So, we provided apprenticeship programs for folks like millwrights. We provided apprenticeship programs for steamfitters. We provided apprenticeship programs for welders. Any trade that was out there. What we tried to do was optimize, and I use the word optimize the number of apprentices that we actually employed on our worksites. And we always tried to maintain a targeted percentage. And we always tried to, again, focus on local employment of apprentices in the Fort McMurray area. But, again, the critical success of our industry is going to be determined to a great extent on the support that is given to the development of folks and providing employment opportunities for apprentices. So, in that regard there's a multiplicity of parties that are involved in this. It's the labour providers; it's the contractors; it's the owners; and it's government's responsibility to ensure the system works effectively for all stakeholders. So, when you look at it, it can truly be a partnership but it requires champions. And champions will make it happen.

[Break to move camera to optimize lighting.]

AD: Did you develop special relations with educational institutions at that time, and do you want to talk about that?

TB: Sure. Actually, when I was in Fort McMurray specifically, I dealt with organizations such as Keyano College. They're a very important entity in the region with respect to the training of folks. And, obviously, since being a member of the Apprenticeship Board and prior to that, interaction with organizations such as NAIT and SAIT. These are integral organizations to the development of our craft labour, so to speak, and others as well. These institutions, in my mind, are a solid foundation for Alberta and need ongoing support from the community and government. So, from my perspective, if you talk about the college system, certainly those three in particular and there are more—I could list more—are critical to our future economic success. They're just integral.

AD: Was there an actual ... were there meetings between the company and the colleges to talk about these programs and to design the competencies that they required in their workforce?



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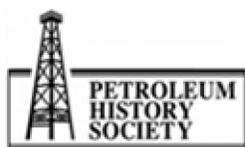


TB: Well, the system in Alberta with respect to the apprenticeship program is that it is actually industry driven, so we have the LAC committees, which is Local Advisory Committees, Provincial Advisory Committees (PAC), that then report back into the board, of which I am now a member. And so we, again, participated in a variety of ways; some directly with the colleges relative to what was needed; and certainly, again, participated on a number of LAC committees and PAC committees over the years. Those were types of input issues relative to what we needed. But, again, our role from a Catalytic/Jacobs perspective at the time was to provide employment opportunities for folks to get into the trades and supporting them and insisting that they go to school when their turn came up to go. So, most programs are three to four years, and usually you go to school for six to eight weeks a year, so we were very supportive of that, and I would say at the Suncor site, for the period of time that I was there, we actually put hundreds of apprentices through the system.

AD: Now, within Alberta, there are limits to the number of craft employees that can be created through the educational system, consequently, you were dealing with the hiring of workers from other regions of Canada and even foreign workers. Do you want to talk a bit about those issues?

TB: Ya, we can't have all of our workforce on the work site that are apprentices, so again through my employment I've placed a fair amount of emphasis on the acquisition of labour. Obviously, our first priority is Albertans first, Canadians next, and then we would go outside. To the U.S., which is where we are today, and then other parts of the world. So, a great number of folks when I was in the Fort McMurray area and basically throughout my career came from Montreal and east. On the last project where I worked for Shell Canada, associated with the Scotford upgrader project as well as the Jackpine project, I estimated that roughly 60 to 70 % of the workforce for the Jackpine Mine Project were actually from Montreal and east. And from the province where I originated from, which was Newfoundland. I calculated that of the 5,000 peak population of the Jackpine Mine Project we had roughly 1,500 Newfoundlanders.

I was in a conversation with a Newfoundland politician a while back who was talking to me about the value of the oil sands and I'd indicated to him that I thought it was a pretty basic economic calculation as to what the value is to Newfoundland from the Jackpine project. We were probably putting in directly to the Newfoundland economy about 150 million dollars a year, for a three-year time frame, 450 million—one project. I would suggest that the oil sands industry is a Canadian jewel, so to speak, that has made a tremendous amount of economic impact on every region of the country, whether it's eastern Canada, if it happens to be Quebec or Ontario or if happens to be Manitoba, Saskatchewan, or B.C. and our friends up north. I think it is one of the most underrated economic engines that we've got out there. So, in the long run one of the things that we probably



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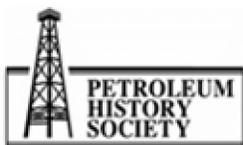
need to do a better job of, to be quite honest with you, is to let our fellow Canadians know what it is we've got here and how it does impact them, because we exchange literally billions of dollars per year both in direct and indirect employment opportunities for our fellow Canadians. It is a great, great economic resource.

AD: Now, in the mid '80s when you were working ... I mean you were working at Suncor for Catalytic and then they transferred you to Syncrude. Now this was the time of the labour dispute at Suncor and then, of course, the fire—the big fire at Suncor. Do you want to talk about that period and your memory of it?

TB: Yes, I think the 1984 period onward, actually 'til about 1995 in the oil sands industry was a very challenging time. The world price of oil had dipped dramatically. As a matter of fact, if I recall, it had dipped to less than 10 dollars a barrel. There were tremendous, tremendous economic pressures on both Syncrude and Suncor with respect to profitability. How we were going to go about sustaining those facilities and, at the same time, maintain as much employment as we possibly could. In all fairness to the management of both those organizations, those were very trying times. And certainly with the organization that I was with at the time, whatever the case is, it was ... it was very difficult for me personally as well as from a company perspective.

There were large numbers of people that I knew very well that we were in a position that we had to lay off. As a matter of fact, I remember very distinctly being at the Syncrude site during that timeframe with Catalytic, and on a Monday we had approximately 700 employees, and on a Friday we had 200 employees. There were a lot of folks that we had to actually release because of the economic challenges that were taking place. And, for those that were in the industry and for those that were in the community, as well, the impact was astronomical, to be quite honest with you. And, I saw lots of friends that actually exited the area and it basically detracted from, I guess, the image of stability in that area. But that was a worldwide event, and when it comes right down to it the price of oil is often, well not often, it is always affected by what is going on around us in the world. And, certainly, at that time, that was the case. It was a very, very challenging time. And I think most of us would say that we lost a decade of development of folks from about 1984 to about 1994. And, then, we find ourselves in the oil sands industry of today, and that basically started around the mid '90s.

AD: Now, there are those who would say it was the National Energy Program, and they would view this as a part of Western alienation with respect to, you know, the federal government and its aspirations. Do you want to talk a bit about that?



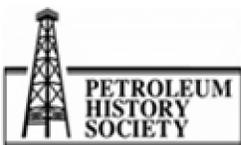
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TB: I don't believe the National Energy Program was totally responsible for that. I think it may have been a factor, that it may have exacerbated certain moves relative to the development of the oil sands or lack thereof. I think there certainly was animosity between what I would consider our federal leadership at the time and certainly our provincial leadership. I think it would be, in my mind, somewhat unwise to indicate that the entire issue, you know the drop in oil price was associated with the national energy program. I mean that was not the case. We had a worldwide event taking place not much different than what we had a couple of years ago when we had oil reached 135 dollars a barrel plus. That was not because of what was going on in Ottawa or going on in the Legislature in Alberta. I think that one of the things going on in the commodity we are talking about is that it is affected basically by a lot of factors that are taking place in the world. So, when I go back and look at that from a historic perspective, there's no doubt that our National Energy Program, that has been looked on with disfavour in the West for a long period of time, did have some negative implications, but it wasn't solely responsible for where we found ourselves.

AD: Can you tell me a bit about the role of companies like Catalytic in providing the craft workforce? Because, of course, there is the staff, which generally tend to be management that are direct company employees, both at Suncor and Syncrude. But then there is the unionized workforce which did come through Catalytic and companies like that. Can you tell me a bit about the company structures and ...

TB: Sure. Well, Syncrude and Suncor, I think wisely so, indicated that first of all there are certain roles within their organizations that they want to maintain within their company. But the nature of the oil sands business and the nature of the plants that we are dealing with is that there is ongoing day-to-day maintenance that requires the skill sets of crafts people, trades professionals, whether they be millwrights, pipefitters, welders, whatever. Organizations like catalytic or now Jacobs and others in the industry are quite adept because of the relationship with the providers they deal with, whether it's the Building Trades or others, such as CLAC, or whatever, to be able to acquire a workforce very quickly. So when you have a turnaround, for example, at the Syncrude site, you will bring down a unit, and usually it's down for 40 or 50 days and you may need an additional 2,000 employees. Those clients are not in a position to acquire those people effectively like the contractor community is. Jacobs Catalytic is very good at doing that. There are other organizations, whether it's a KBR, as an example, Edmonton Exchanger, those folks are quite adept and expert at doing some of these roles. And the owner—I guess it comes down to a philosophical point of view, although I don't think it's intentional—you don't put all your eggs in one basket. And, really, you're not in a position to be able to move your workforce up and down as quickly as a contractor usually can. So, I think there are various reasons both business-wise and structurally for owners such as



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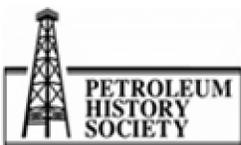
Syncrude and Suncor, and now CNRL and others in the industry like Shell and Total to move in that direction. So, there is a shortage of labour out there, and not one provider can take care of it, so actually it's a very wise strategy to move in that direction.

AD: Now, we discussed that the '80s was a difficult time, and when did the impetus occur that resulted in the era of the industry's thriving for today and what do you think were the causes of that?

TB: I think there are a number of causes of that, and I guess kudos should go to a number of folks. But I'm going to mention one name in particular. I think that Eric Newell ... Well, I won't mention one name; I'll mention several names. Eric Newell, Jim Carter, who were former Syncrude employee, who were very influential with respect to the Oil Sands Task Force. I think there were people out there like Eric that had the vision that we could build a major industry. I think there was a lot of work, in all fairness, with a number of government officials, both at the federal and provincial level, that this was a jewel out there, again, that could give us a great economic stimulus, both within Alberta as well as outside the province, and that it was a resource needed by the world. And that we were sitting on literally billions of barrels, if not trillions, when you talk about the 1.7 trillion that's in the oil sands. What's certainly recoverable is about 173 million with today's technology.

So, why not take a look at that within a world that's thirsty for oil? And, I think, that became the mantra of the day, so to speak. How do we go about doing that from an economic perspective, and who are the players that may be involved in this? So, I would suggest that around the mid '90s, and I'm going to say '95 onward, that the oilsands took on a little bit of a different perspective. There were a lot of champions that moved the concept along. The economics of the day, the demand for oil, and basically the intensity of some of the people who believed in the vision helped move it along. I think Syncrude and Suncor [are] to be commended for their initial forays into the oilsands. Suncor, in particular, starting out back in the '60s; Syncrude, starting out in 1974 and expanding since then. And, then, Shell getting into the Jackpine mine, so to speak, and now we have different players out there in the SAGD area. We've got CNRL that have a mining operation. And I think we can see nothing but future growth for the industry. So, from my perspective, 1995 onward was probably where we saw the impetus really coming forward. And I think there are a lot of stakeholders; again, as I've mentioned before, I think this was a collaboration event associated with owners, government, and certainly a variety of other institutions.

AD: Now, this boom era as it were presented labour challenges and I know that you were involved in research and development of labour plans, and so on. And also the whole issue of foreign workers, guest workers as they're called in Europe. Do you want to talk a bit about that?



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TB: Ya, actually, when I started with Shell in June of 2004, I had an opportunity to meet with a number of folks. One of the guys I met with was Neil Camarta, and Neil had been associated with the original upgrader at Shell. And Neil was of the opinion, and I shared it with him, that with the workload coming down the road with the oil sands, as well as other industries that are part of the Alberta economy, whether it's the utilities sector or if you're talking about oil and gas in general, is that we were heading for a shortage of craft labour.

There were and are other issues that affected future craft supply as well, which many folks haven't seen at this point in time, such as the demand for craft labour for the industries associated with what's happening on the East coast of Canada. One of the traditional sources of craft labour supply, for example, being Newfoundland. Well, Newfoundland's very busy right now, and it's continuing to be busy. They've got a major aluminum processing facility being constructed. They've got Hebron that's been planned. They're looking at maybe Hibernia Two. There's Churchill Falls, and so forth. So, all of these projects are actually taking up craft labour. And, the reality behind it, which is somewhat, in my mind, amazing is that Newfoundland, as we speak, is looking at importing temporary foreign workers or what we call guest workers. Also, when we took a look at the overall demand, as well as the demographics associated with our craft workforce, there are a lot of folks that are actually going to be retiring. So, when you couple the increased demand, the shortage of supply from other sister provinces, as well as basically a number of other economic stimuli, it was really apparent that we needed to look at where can we get other skilled, qualified, professional trades people. And that's where we started looking intensely into the temporary foreign worker area, and certainly we made a lot of inroads and consultations with Human Resources Development Canada, Citizenship and Immigration Canada, Alberta Apprenticeship Training—these are all players that are part and parcel of TFWs.

AD: So, basically there had to be policies developed. Do you want to talk a bit about that?

TB: Yes. Actually, I remember distinctly many years ago talking to a couple of senior VPs at Shell when I was with Shell, and indicated what I saw coming down the road from a labour demand point of view. And, I thought we needed to take a look at developing several organizations that would actually promote the acquisition of TFWs. Syncrude and Suncor, in conjunction with Shell, saw the opportunity to do this, and we arranged a number of meetings—and I mean a number of meetings—with folks in Ottawa, with HRSDC, CIC, Canada Border Services Association, as well as AAIT here in Alberta to talk about how we would go about developing the proper procedures and policies to acquire these folks. How we may be able to use them more effectively. How we could transfer them around. As a consequence of that, we actually constructed an organization in Alberta at the time. The first one every constructed that I'm aware of, called the Alberta Council of Turnaround Industry Maintenance Stakeholders. It's called ACTIMS. The organization was



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mandated basically to go forth and multiply, so to speak, with respect to the acquisition of craft labour. Still, with a focus on Albertans first, Canadians next, U.S.A. and the rest of the world thereafter. And that's the mode we find ourselves in today. That was to address issues associated with turnarounds and maintenance work. We've also constructed another organization called CISAA, and it stands for the Construction Industry Stakeholders Association of Alberta, and the focus of that organization is the acquisition of craft labour for construction projects for the owners and contractors that participate in that organization.

AD: Now when were those set up, those organizations?

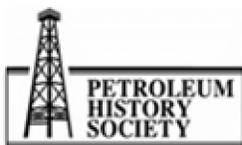
TB: I don't have the exact dates, but ACTIMS was set up about three years ago, and CISAA came into being, again from a corporate point of view, and they are both non-profit organizations. CISAA has been in play for about, approximately a year and a half.

AD: When did the first temporary foreign workers come to Alberta to work in the oil sands?

TB: Again, it wasn't under ACTIMS at that time. I think, I guess the first guest workers came in probably around 2005, somewhere in that area. And they came in primarily in the industry that I'm taking about—the oil sands industry—they came primarily under Flint and Ledcor at that time, who were acquiring TFWs from a number of places in the world, the Philippines being an example.

AD: So, can you tell me now the countries, what the primary countries are for the temporary foreign workers in the oil sands?

TB: For us, at this stage of the game, and I could tell you where we are today and also indicate where we might be tomorrow. But our prime focus has been again for TFWs, the U.S. As a matter of fact, there is a turnaround going on at Suncor as we speak. We have approximately 200-plus TFWs that came in for that. I would say that about 80% plus are from the U.S. the other 20 % or so are from Ireland. Those countries are picked because of ease of access of getting people into the country. It's much easier to get folks in. If we're getting people in from the Philippines, for example, that would take a much longer period of time. We're trying to address that. Where we see ourselves going down the road is again focused on U.S. first, Ireland next, etc.. We will also take a look at countries such as the Philippines, and we will certainly be looking at countries such as India, as well. We may branch out into some countries in Europe. It depends, but certainly those are countries we will certainly be focused on, and they seem to be good sources of labour. As a matter of fact, we recently met with, as early as yesterday, a number of folks from the Philippines—one of them being the Ambassador—to talk about potential opportunities down the road.



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AD: There have been some workers from China, haven't there.

TB: There were some that I'm aware of, but again I was not involved in that. I was under the impression that during the Syncrude or, sorry, CNRL project at Fort McMurray that they had some folks come from China, but I was not directly involved in that so I'm not really sure of numbers or what their roles may have been and how long they were here.

AD: Now, we've spoken about your work at Catalytic. So, how long were you based in Fort McMurray?

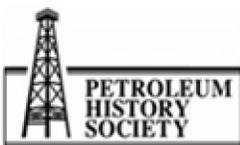
TB: I spent about, approximately from when I went out in 1977 until I left in 1998, with a little interlude in between, I spent about 10 years in Fort McMurray. And then I moved to Calgary in November of 1989, and I've been in Calgary since that timeframe.

AD: And basically your responsibilities at that time expanded, after your transfer to Calgary. What was your title at that point?

TB: Actually, when I moved to Calgary I was responsible for labour relations for Western Canada for now Jacobs. I stayed in that role for approximately a year, until the individual I was working for, George Pheasey, was seconded to the provincial government. George went to the provincial government, and I then became the manager of labour relations for Canada. And I was in that role, presumably, until George returned. But, George did not return back into a labour relations role, so I maintained that role until June of 2004 when I left and went to Shell. So, my primary function during that period was looking after labour relations for Jacobs for Canada. There were other labour relation folks in the organization that reported to me. But I was looking after the labour relations for the organization for the country. And that involved a whole range of issues relative to collective agreements and a number of other issues.

AD: I want to go back to the negotiation of collective agreements, but I just want to get a sense of the history of Catalytic. Now, you told me that the founding company was American but Catalytic had its Canadian origins with Sarnia and the oil plants, the refineries, there. Now, the company has changed ownership. Do you want to talk a little bit about that?

TB: Sure. The organization, as I mentioned before, started out originally in the U.S. The first Canadian job was at Shell, actually, in Sarnia, and then it branched out from that. Catalytic was purchased by Delta. They were a group of folks—Bernie Cody was one of the individuals actually associated with Delta at the time--- in an engineering firm that was looking to branch out into different areas. They purchased Catalytic, and when they sold the organization it was sold to an organization in the U.S. called McDermott. And McDermott was a large engineering firm, construction firm in the U.S., and when they sold the organization, they actually sold the



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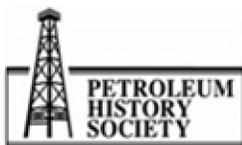


organization to Jacobs, which is where it is today. So, there were a number of changes during my employment with the organization, and obviously with each change there comes a management philosophy type change. But, in all fairness to the organizations I've worked with, and I've been very, very fortunate to be a part of throughout my entire employment career, is working with an organization that is very committed to health, safety, security and the environment. And the same occurred when I went to work for Shell. It's something I believe in personally, and I was fortunate enough to be part of an organization that, or part of organizations, that lived that as well. And, I can say throughout my employment that most of the clients that I've dealt with in the oil sands, in particular, are so inclined. So, I feel good about that, and I felt good about it personally. I felt good about it from a business perspective. But when you take a look at organizations, you need to be fluid in this type of industry. There are lots of players that are changing both within the labour provider community, contractor community, as well as the owner community and government for that matter. So it brings with it a variety of challenges.

AD: Now, basically the company shifted to American ownership in one of its re-sales, as it were. Does that have any implications for the Canadian operations?

TB: In some regards yes—some positive, some negative. I think that the implications relative to management is that quite often senior-level folks would come in from outside the country, so to speak, so that brings with it a different philosophy sometimes. But I think that the other thing it brings from a positive point of view is that it brings with it a new raft of approaches, so to speak, that have been used around the world, as Jacobs is a major player around the world, and also playing in a large number of different industries, whether it be basically oil and gas or it happens to be the prison system, or NASA, which Jacobs was doing work for. So, there's a whole raft of those things as well. It also brings opportunities for advancement, movement throughout the organization, whether in Canada or outside. So, I think that when coupled with it, there's always negatives and positives associated with any type of transition, but again it's a balancing act. And I think the organization can benefit from bringing in folks that are experienced, if we're in the mode of training and bringing people up and giving them opportunities. So, positives and negatives, like any other situation.

AD: In terms of the oil sands, basically from those original partnerships that set up both GCOS/ Suncor and Syncrude, they were international companies. But what you're saying is this also then is the way that the craft personnel are also recruited and work within the companies, so that the industry is very international.



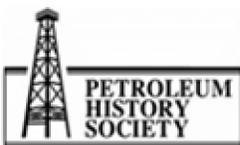
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TB: I think the industry is very international from a financial perspective, so to speak. I mean capital flows around the world in a number of ways and it's attracted to a return on investment. I think the other issue is that due to the nature of our world today is that people are much more mobile than they've ever been. And, I think that when it comes down to opportunities, for example, that our markets are now enlarging. We are presumably moving away from a one-market-type system, as in, one customer is probably a better way to put it. And also taking a look at what we might do in Southeast Asia. I happen to think that's a very good thing to do. I think we need to enlarge our markets. There is a risk associated, being a one-customer type thing, whether it's in the oil industry or any type of business. But, I think, the flavour of the day, so to speak, is that fluidity in the market place is there. I think that what we need to do from an Albertan and Canadian point of view is ensure that we optimize the return to our citizens. So, it's not about a resource that is just there to pass along to others, but what is our vision relative to the oil sands and how do we go about developing it so that it has the most positive economic impact to our citizens both within the province as well as our fellow Canadian citizens? That is one of the things that worries me most today, as to where we might end up 20 to 30 years from now if that vision doesn't have the clarity that it needs.

AD: We'll revisit your view of the future of the industry. I want to go back to talk about the whole issue of labour relations and your dealings in these areas. As we know, Suncor at the prompting of management basically created the employees organization that dealt with negotiating benefits, etc. with the company which then evolved into a union. And Syncrude, on the other hand, is a non-unionized environment. Do you want to talk about the issue of unions within the oil sands and specific experiences that you've had in dealing with this in the area of labour relations? And, then some overall views.

TB: Sure. My experience again has been extremely positive in dealing with unions. I see unions not as an impediment to progress. Unions represent individuals that sometimes are unable to represent themselves from an interest point of view. I don't see the union as the enemy, so to speak. I see them as a stakeholder in the process and it is much easier to work with people you develop relationships with, trust, and also a sense of firmness on both sides relative to what you want and need. And, once that is established, will there be differences? Of course, there will be differences. But the reality of the day is that my experience, again since 1980 when I've been involved directly with unions, and I mean a number of unions across the country for that matter. I've dealt with hundreds of unions in different provinces, maybe of the same nature—pipefitters in New Brunswick or pipefitters in Nova Scotia or millwrights in Alberta or British Columbia. But my experience has not been one of constant gyrating to see who can get the best advantage of the other. I have the great fortune of dealing with an organization called the General Presidents' Committee, as well as the



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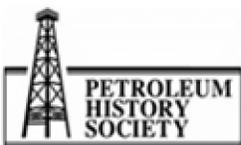


National Maintenance Committee, where we sat down on a regular basis and develop what I call stakeholder interests. And very seldom was I ever involved, have been involved in labour disputes, but they were minimal over that 30-plus-year timeframe. And when someone mentions the term union to me, it's not something that causes me to get a stirring of anguish or whatever. It actually says to me those are folks I have to work with; I respect them for the leadership roles that they've got. Some of the union leaders that I know are running organizations that are 10, 12, 13, 14,000 people. They actually run large businesses. And if we can look upon it from that perspective and treat them as a business partner, which they are, then I think the tendency for success is much greater. If it becomes a situation where we're at war with each other, then that's exactly what will develop. That's never been my experience. I've had a very positive experience with the unions that I have dealt with. That is not to say we have not had our differences, but we've always been able to resolve them. So, from my perspective, not a negative ... an essential part of how we do business.

AD: In the first part of the 1980s when you were working with Catalytic at Suncor at the Suncor site, of course, there was industrial action. Did you have any role in that, you know, which led to the major strike that lasted for six months I believe—five and a half, six months? Do you want to talk about that era?

TB: Ya, that was a very difficult time for us, as in Catalytic and our workforce. We'll talk about the CEP and the CEP at this stage strike that took place. I mean we were in a position where we were crossing picket lines. We had contracts that obligated us to go to work. Our employees understood that. I remember distinctly going to the Labour Relations Board in Alberta, looking for an injunction to validate that we had a collective agreement that was actually legal and binding and that we had a requirement to service our client and to take care of our client. We went back to the project. We crossed the picket lines. We, as in our company, met with management and our craft labour and went to work and did the work that we had always done. We tried to maintain a cordial relationship with the folks that were on strike. It's never easy to see people that are on picket lines that aren't earning an income and it affects them economically. And it affects them in a negative way socially. It also has pressure on the community. Fort McMurray was a small community at that time. A lot of people knew each other well, and one may be going to work with a contractor while the other was unemployed.

Those are all issues that are certainly more pronounced in a small community. But again, at the end of the day, that was the reality that we were faced with at the time, and that's how we dealt with it. There were some scenarios where the company that I was working experienced a labour dispute. It lasted for a short period of time. Where I was involved from a legal perspective, obviously, and from a labour relations perspective in getting our craft workers back to work. Strikes are



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never any time a joy to be a part of. They are difficult. They are difficult from an economic point of view. They are difficult social wise. And they certainly impact relationships, both from a business and a personal point of view. So my experience in Fort McMurray is that with the strikes there is great discomfort. It's not something that I like to remember, but they are a solid part of my memory.

AD: Now were you involved in any of the negotiations for the strike settlement?

TB: Not with respect with CEP obviously. That was a part of the business that I was not involved in. That was between the owner and their own workforce. But, with respect to any incidents that were involved with the Jacobs group, of course, I was involved with that. I was involved intensely with respect to the legal community. I was involved intensely with the General Presidents Committee, the national union reps, as well as the local union reps. So, when it comes down to it, those are things that need to be done. Again, I was not involved in a lot of those throughout my career, but when it became necessary, of course. We were always in the middle of the fray, and the nature of my role indicated that I had to be there. That was part of my responsibility.

AD: So with respect to the Suncor major strike, basically your company Catalytic was bringing in workers that kept the plant running, together of course with administrative and other non-unionized staff.

TB: Ya, I think though, just to clarify, the roles that Catalytic undertook were the roles they were taking before the strike. We were not undertaking roles that were being done by CEP. So Suncor generally took care of those issues from their own perspective, so what we did is maintain our ongoing responsibilities on the project.

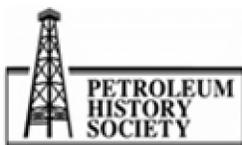
AD: But, of course, your craft labour was crossing the picket line.

TB: Correct. They were.

AD: So they would have been a focus of negative attention.

TB: Correct. Some were crossing the picket lines, and some were fortunate enough to be living in camp, which was inside the picket lines.

AD: Yes. Now I gather that the RCMP actually were brought in at one point when rocks, or whatever were thrown at the buses, etc. Do you have any memory of that particular situation?



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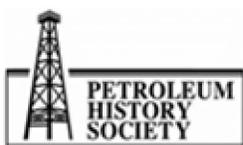
TB: I have a very distinct memory of that situation. I remember very clearly the day that I was out on Highway 63 or thereabouts. And I remember a show of force by the RCMP—the riot squad—and there were about a hundred of them that came out from security to the highway, in formation, and with respect to all of their gear sending a message. I think that was a necessary, I guess, thing to occur at the time. I would just give kudos to the RCMP through all the incidents that I've seen them involved; they took an impartial role relative to what was going on. They were not involved with interests on one side or the other. They were interested in maintaining peace and good order on the picket lines or in the area. And that's exactly what they did. So any time that the RCMP were involved in any dispute that I've been involved in across Canada, they did a fabulous job. And as a matter of fact, I think their friendliness on the picket line always kept the tension level down.

AD: Now, of course, you weren't directly involved in the negotiations to resolve the issues, but of course you were an observer at this point. And what do you think were the causes of the industrial action?

TB: I think industrial action never takes place because of a cause. I think there's a multiplicity of factors that come into play. Some of them are economic in nature. Some of them are personal in nature. Some of them are ego in nature, so to speak; and, so, if one is looking for a dispute that occurs because of one type of reason, I've never seen that to be the case. Generally, there's a multitude of reasons. I suspect that at the Suncor site at the time that was certainly the case. There were some individuals that were very intense relative to their belief systems and what their different roles were and what their responsibilities were. And, obviously, the economics of the situation as well. So, I think that there were a number of those factors, and that is not unusual. That is normally the case, and I suspect was the case at the Suncor site at the time. As a matter of fact, I'm certain it was the case at the time.

AD: As, you know, working for companies that are labour suppliers to the industry, the whole issue of accidents, particularly fires, are huge issues. And there've been a number of fires, both at Suncor and Syncrude. Do you want to talk a bit about that, and then talk a bit about the area of safety?

TB: Ya, I think that's the nature of the business. I mean, one of the things we do in the oil industry is, you know, we're dealing with products that generally have risk associated with them. Whether it's a refined product such as jet fuel or gasoline or part of the process of making that from a chemical point of view. There are lots of vessels that have high pressures associated with them: pumps, exchangers, and whatever. So it is extremely important to follow procedure, process, permits, and so on. There is nothing more important than safety. And I use the term safety, but it's bigger than safety. It's HSSE, as we commonly refer to it: health, safety, security, and the environment, relative to our projects. There are times where there will sometimes be equipment failures. It may be a valve.



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It could be a coupling. It could be a number of reasons. It may be metal fatigue for that matter, which hasn't been picked up. There have been incidents that have taken place, some of them have been catastrophic in a sense from an economic point of view, in that they have required a facility to be shut down and major repairs undertaken. Some of them have taken place because of weather conditions. We work in an extremely different environment, where at one time of the year you can be 45 to 60 below, and during the summer you can be, you know, 35, 40 degrees plus centigrade. So, the equipment takes a lot of stress and strain. But I would suggest, at least from my experience, certainly with the oil sands operators that I know and the companies that I work with, and in particularly Jacobs, that the amount of time and effort and focus that is placed on safety is second to none. I will stack that industry up against anyone, anywhere in this province or anywhere in Canada, or for that matter, I think, anywhere in the world. I've had the good fortune to work with those organizations, and it is a belief system that just pervades and is integral to those organizations. So again, yes, there will be incidents. We try and avoid that with as much mitigation and risk analysis as possible. But there is a firm, solid belief in the organizations that I've been a part of with respect to taking care of our craft workforce as well as the facilities that we work on.

AD: Now, with respect to the big fire at Suncor where one of the upgraders was totally destroyed. Did Catalytic, was Catalytic involved with the whole rebuilding or not?

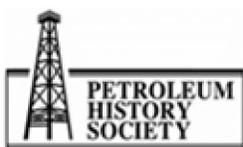
TB: Catalytic has been involved in a number of things, and to be quite honest with you I can't remember which, what year you would be talking about. Because, I'm not sure if I was with them at that time.

AD: I think that it would have been '85, '86, so you would have moved to Syncrude.

TB: Ya, but Catalytic, I will say yes, they would have been. They would have been intensely involved because they were a major contractor at the Syncrude or, sorry, at the Suncor site, so I'm certain they would have been involved.

AD: Now, in terms of the ... Do you want to talk about the whole issue of safety training with respect to the industry then and now?

TB: Yes, I think again—not to repeat what I just said—but safety training, or training in general to take it well beyond safety training, is of paramount importance to the stakeholders in the industry that I'm apart of, and I would call that the oil sands sector, oil and gas industry. Certainly that works its way from the individual that's on the tool, so to speak, it is provided by the labour provider, where it's the Building Trades or it's CLAC or some other union entity. It is certainly promoted by the contractor community and the owner community and to a great extent the government as well.



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But certainly the first numbers that I mentioned, there is nothing of greater importance, I think, to our owner community and contractor community than safety. The consequences of not doing it right are quite negative. They're quite negative from an injury point of view, fatality point of view, and they're quite a negative associated with the economic impact of having a multi-billion-dollar facility that's down because of some incident, so to speak. And the cash flow associated with that and the impact on profitability again is quite negative. So, there's a number of reasons business-wise focused on that. So safety is second to none. I feel very comfortable standing up in front of any audience and saying that with lots of conviction. Certainly been my experience.

AD: Now, in terms of Catalytic, which is now Jacobs, did they have their own training programs or did they use those of the companies that they were supplying workers for?

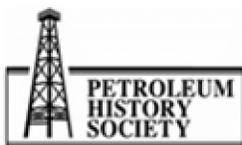
TB: It's a mixture of both; it's a mixture of both. Catalytic/Jacobs at this stage, and most contractors, have a number of training programs. There are some programs that are provided by the client as well. Part of that may be orientation, as an example. So it's a combination of that. Generally speaking, most of the larger contractors have a substantial number of training programs. As well, the labour providers that we deal with, for example the Building Trades and CLAC, also have a large number of training programs. So it's not one or the other. It's actually a combination of all.

AD: Now, do you remember any accidents that involved the labour force of the companies that you worked for?

TB: Yes, I remember two specifically. I remember more than those, but the two major incidents that I remember very well were at the Suncor site and where there were two fatalities. I remember them as clear today as if it was yesterday. It's had a major impact on me, both personally and from a business perspective.

AD: Do you want to talk about those?

TB: I'll talk about them briefly, but ... We had an incident involving one of our employees as part of our mining operation at the Suncor site, where he was affected by a fire and ended up basically passing away as a result of that. That was the first time I was ever involved in something like that and probably one of the most difficult things I've ever dealt with. I had to call up his wife and explain that he was in the hospital and that he was in a serious condition. She didn't speak English really well, and it's never left me. It's never left me because it's my belief that people don't go to work to pass away. People go to work to earn a living and to support their families and their communities, so it's a ... Ya, it's a ..., it's a difficult situation even 20 plus years later.



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And the same thing with another individual that was involved in an incident where proper procedure, I think, were not followed and resulted in a fatality that was avoidable, so to speak. And again, there's a family out there without their Dad, because proper procedure was not followed and again I was involved in the communications of that information to the family. And it's a, it's a difficult time. So I don't want to do that stuff, and I've said to people that have worked with me and for me is that—you know, and I make this comment very clear—over the years when I've stood up and spoken in front of people that are coming out to a site. You know, they're a couple of things that were really not interested in. If you have a drug and alcohol problem we'd appreciate you taking that somewhere else, and if you're not willing to behave and follow the rules from a safety perspective then we would ask you to go work elsewhere. I firmly believe that. I'm not interested in folks that want to take chances with themselves or their co-workers. It's not in the cards for me, and I make it very clear to people that if you're in a position where I have some authority, that's not going to take place.

AD: So basically, in terms of Catalytic's/Jacobs's, they have policies with respect to drug testing, all of those things.

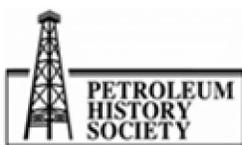
TB: Correct.

AD: So that you not only have the company to which you are supplying labour having those policies but your own company has parallel policies.

TB: Correct. The company that I worked with, for like I said 24 and a half years, to get onto any of their projects ... For example, here in Alberta you must go through a pre-access A and D test, and you have to produce a negative test result. And there are also parts of the program that mandates if there's an incident and where there is probable cause or you suspect that drugs were involved (unless you come to the conclusion that they weren't involved), then you can ask for an A&D test to be done. Otherwise, a test is required to affirm as to whether A & D were part and parcel of the incident or not.

AD: Now, you've said, and other people I've interviewed have said, that in terms of the accident rate, it's relatively low. I mean that there is, you know, there's damage to property and rebuilding and so on, but that hasn't been a huge issue for the industry. Do you feel that it is because both the companies themselves and the companies that supply labour have been very conscious about the issue of safety and have developed policies and have put training programs in place?

TB: I think it's a ... Again, I don't think it's an either/or. I think it's a combination of. I know that to be the case. The accident rate, so to speak—and the term "accident" is questionable sometimes—but the accident rate has continued to go down in our industry. But I don't believe that any of us,



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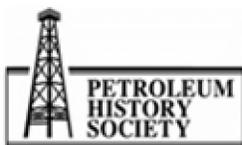


whether it be contractors or owners, will be and should be comfortable with it until we've reached zero. Some people say that's not attainable. My comment, "Nothing is attainable unless you try." And at the end of the day, the best thing we can achieve as an industry is that at the end of every day people who come to work for us leave and go back to their families without sustaining an injury, whether they've cut their finger or had a major contusion of some sort. We have made major, major, major improvements in the industry both from a contractor and an owner perspective because we have focused the time, energy, and resources on making it happen. Where the industry was when I started in March 10th of 1980 with Catalytic versus where it is today is light years ahead. But we should not be satisfied with our performance to where we are now. We are still injuring people, albeit very low numbers compared to what it was. But at the end of the day we can claim success for what we have none, but we can't rest. It needs constant, constant, constant attention.

AD: Do you want to talk about—you know, your involvement in the industry is of over 30 years duration—the whole issue of pay and benefits and so on and, you know, the evolution of that, of the workforce and developments in pay and benefits and so on?

TB: I think again from my perspective, and I'm biased by the way when I say this, but I think the trades are the opportunity of a lifetime for folks that are out there right now that are 16, 17, 18 years old that want to get themselves into a career, maybe develop their own business down the road, work their way into a supervisory/management type role. But I can say this and some people are amazed, particularly from other countries, and folks that I've talked to in the U.S.—military and recently Canadian military—is that when I suggest to them that a journeyman earns right now in Alberta, whether they're a millwright or a carpenter or they happen to be a pipefitter or a welder, that are working on our projects in the oil sands type of industry are earning a package of between 55 to 60 dollars an hour. That includes their health and welfare and pension and whatever, but if you put it together on 2,000 hours a year you're looking at \$100,000 dollars of income and many of them are making \$150,000 to \$200,000 annually. And so the economic largesse association with the wages and benefits in our industry are comparable to none, so to speak.

I certainly know that when I graduated—I know that was a long time ago—in 1976 I could never imagine earning \$100,000 dollars a year. I understand the dollar equivalent is different today. But I think that at the end of the day that we have got golden, golden, golden opportunities for our youth to get themselves into a trade, becoming a trades professional. Because the trades professional are no different than the baseball player, who is a professional, or the nurse who is a professional. We're all professionals at what we do, and they certainly have earned that. But the economic impact of being a tradesperson right now and the contribution towards our society is in my mind monolithic in nature. It's a great way for one to earn a good living, and also if one wants to be an



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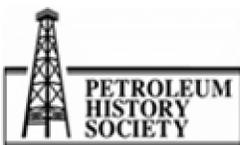


entrepreneur, to take that and move it into an entrepreneurial type role. So, wages and benefits? Second to none from my perspective.

AD: You know it's interesting, you know, we lived through in the immediate past the whole IT revolution and everything else relegated the primary and secondary industries to the rubbish heap of history, where as we're seeing a whole new resurgence of, you know, traditional trades. And you've stated that these individuals as a result of this trades training and working in the industry then have transferable skills, which is really interesting. Do you want to talk about that, about this societal evolution?

TB: Ya, I think that one of those things that has occurred throughout my stint in the industry, so to speak, and it has been a fair period of time. It's well over 30 years. But one of the things associated with the trades is that quite often trades were looked upon as well let's go into the trades if we have no other avenue. But the fact is that the trades, I've always said to people, is that "Take a look around you. Anywhere. Look outside a window and tell me something that you see that has not been done by a tradesperson. Any building you see, any roadway you see, any bridge you see, any tower you see, anything you see has been built by trades people." Albeit there are a whole raft of people that are involved in that, whether it be from an engineering capacity point of view. If it be the geologists or the folks that are out there doing a management role, but at the end of the day our society is affected tremendously by the work of trades people. And what we enjoy as day-to-day comforts of our lives have been built by skilled, qualified, professional tradespersons ...

I've often indicated to people that I know there are different roles that one undertakes but when I need something fixed in my house I'm not going to call a management expert. I'm going to call a tradesperson to do that. And so at the end of the day, I think we are finally realizing that in our society those that actually do physical things and make things contribute immensely to the wealth of our society. We're not all about the technical game so to speak. IT is not going to solve all the issues of the world. We still need bricks and mortars, and we need things built, and we need things constructed. We need refineries. We need upgraders. And that is not going to be built by anyone other than trades people. And they have added and will add a tremendous amount of economic wealth to our country for decades to come. When you build an upgrader, you're not talking about for the next two or three years. You're talking about the next 40, 50, 60 years. So, are trades people essential to our society? Absolutely. Do we need to push that area? Absolutely. Do they get the respect they deserve at this stage of the game? Probably not. But I suggest that with the earning power that comes with being a tradesperson that will change, certainly over the next decade or so.



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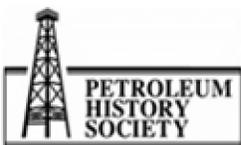


AD: Which, you know, that whole professionalization and the emphasis on university education and the traditional professionals: law, medicine, teaching, whatever, that this resurgence is going to change our society, in that someone working in the oil sands is earning more than a start-up teacher or even a start-up lawyer or a start-up doctor. So that the whole issue of societal respect for these traditional trades has to become an issue, doesn't it?

TB: Well, I think so. And to be quite honest with you I think, you know, the respect game, so to speak, is starting as we speak, being a member of the Alberta Apprenticeship Board I can suggest to you that one of my goals is to, in conjunction with the Board and with the Minister and others in government, to push that along, so to speak. I think we need to change the image of not only trades but other people in our society that make a contribution. But one cannot expect the rest of the rest of society to know what contributions others make unless we educate them to the purpose. Our high school system needs to be involved in that. Our folks that are involved in attempting to challenge students to move in a certain directions in our school system is absolutely critical. But I think at the end of the day is that we are starting to realize that there are things in our society that need to be done in order to create wealth. And I'm not here to denigrate any profession whatsoever, but a lot of professions, in my mind, are skimming the wealth from those that actually create it. That's part of their role. I don't say that as a negative. But, at the end of the day, the people that actually make things that last and exist and produce products are actually the ones that generate wealth for the rest of us to consume, so to speak. We all make a contribution, but I can assure you that my bias toward what the trades do or does is very great. I think they are underestimated a lot in our society and we need to push for more folks entering the trades. It should be a great career for a large number of people. And again from an earnings perspective, I don't see many professions out there right now that at 21 years old or 22, you can be earning a hundred thousand plus a year.

AD: You know, which is a leadership role for the industry, isn't it? Because it is a huge employer.

TB: Ya, it's a leadership role for industry, but it's also a leadership role for our government and for our educational institutions. And when I say institutions, I'm not talking about just NAITs and SAITs and Keyano College. I'm talking about our high school system as well. The stakeholders involved in this process are not relegated to a contractor/employer and an owner/employer in the oil sands. It's kind of something that ... It pervades all of our society from a perspective, and we all have a responsibility to do that. But again, along with that, I don't expect people that are not involved in the industry to understand it to the extent that I do. I've been doing this for 35 years. It's my responsibility to try and educate people, whether that's at a governmental level, if it's at a high school level, or if it happens to be an institutional level. So, we have a collective responsibility to let people know what our industry is about. Not the other way around.



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AD: Give me some idea of the oil sands labour force then and now. I mean when you started in the 1980s. Because I know that you're a big picture thinker, in terms of this policy work that you've done and are continuing to do. And you know, what the labour force was then and what it is now.

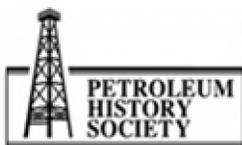
TB: Well, again, when I started out, I'm going to talk about 1980. I'll talk about Syncrude just being built. You know, there were two facilities. There was Syncrude and Suncor. And, you know, at the time, Jacobs, who I was working for had about—I'm just going to use them as an example—had about 700 people at Syncrude and we had about 500, for example, at Suncor. I would suspect today that Jacobs is probably employing across Canada, and in Alberta, probably 5,000 plus folks. And we'll sometimes go up to 10,000 throughout the course of the year. There are many more players in the industry. So, if you take as an example the two groups I have dealt with, I'm going to say in the mid '80s under the General Presidents' and National Maintenance Committee there were approximately four to five million hours per year of work. Last year they would have worked close to 30 million hours. So, you can see a 600 % increase under those organizations. Now, there's a lot more work being done in the industry than that. But it gives you an idea of the growth association with the industry. And most of that growth, by the way, has taken place in Alberta. I would suggest that out of that 30 million hours, probably 70 % of them are worked in Alberta. It's a massive amount of money. I've always said to the General President's Committee that I dealt with, and I said that kind of jokingly tongue in cheek, "The problem with the Committee is that you don't know how to tell people how successful you are."

And they said, "What do you mean?"

And I said, "Well, if you are working 20 million hours a year under your system at roughly 60 dollars an hour, that's a billion dollars plus a year of wages and benefits. And if you take a four to one factor, a five to one factor, it's like building a five billion dollar project every year." So, the growth associated with our industry has been massive over the period of time that I've been involved in it. And the growth associated with the construction aspect of the industry is equally as massive. So I'm doing some work as we speak on projections of the Oil sands, Utilities and Pipeline sectors for 2012 to 2020 period. And the numbers of hours being looked at, I've projected to be in the range of 1.7 billion craft hours.

Well, someone said to me, "Well, what does that mean?"

And I said, "Well, divide it by 2,000 hours a year and it will give you an understanding of the number of years of work we're talking about." And the amount of wealth creation in wages and benefits, I've estimated very conservatively to be about 122 to 130 billion dollars of wages and benefits direct in the next eight to 10 years. It's staggering when you start talking about the numbers. And I think those numbers are conservative.



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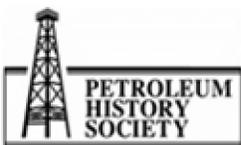
AD: Now, you made a move from it would have been Jacobs at the time to working for one company, Shell. When did you do that and what prompted that move?

TB: I actually started with Shell on June the 1st 2004. There were a couple of things that prompted the move. One was that I had been travelling for 15 years across the country, and I mean travelling. I was generally on the road for several weeks per month. I wasn't looking for a job, so it wasn't as if I was out there canvassing the market. So I relegated myself to the fact that I was working with Jacobs. I enjoyed working with Jacobs. It was a family type company, in that we had a small group that we dealt with and I was in a senior role. So, I was perfectly content where I was. And there was a headhunter working for Shell who contacted me, and the first time around I said, "Sorry, I'm not interested." Six months later, someone came back and I thought well, you know, I've got the contractor perspective. I understand the labour provider role fairly well. Maybe, another perspective, called the owner perspective, would make me a more, well-rounded individual. And maybe I can have more impact in that role in certain areas. So, I met with Shell folks and got from them what their vision was going to be relative to their expansion projects. And I joined them with the understanding that we were going to be doing expansions one, two, three, and four. Well, we did expansion one. And then there was a change in the approach and the expansions two, three, and four were put on hold. And that's when I decided at the time, in conjunction with Shell, that maybe I would leave, because I didn't join for that one Expansion project. And I wanted to spend some time, to be quite honest with you, with members of my family as they were being challenged from a health point of view. I'm the youngest in the family, and there are some health challenges. So, I wanted to spend some time with them, and I did, and then went back to work on February the 6th.

2012

AD: So what was your title and what were your responsibilities at Shell?

TB: My title at Shell was Manager of Corporate Labour Resources. I was primarily focused on the oil sands, albeit I had functions associated with our day-to-day operations at Scotford, the refinery, the chemicals plant, and the upgraders, as well as in Fort McMurray at Albion. And some other stuff in the gas sector, but not a lot. My primary function basically was developing labour strategies for the acquisition of labour. That involved a whole raft of stuff, such as what are we going to be utilizing with respect to a fly-in/fly-out strategy. Are we going to do that? What type of accommodations are we going to build? For example, are we going to build the Albion Village in Fort McMurray, which in my mind is probably the top accommodation facility in the region at this stage. How do we go about acquiring the craft labour that we are looking for? You know, what are our strategies with respect to Building Trades, CLAC, non-union? How do we go about doing that? How do we go about setting up our things regarding training on the projects? I mean, it involved a whole raft of issues. How do we maintain our relationship with labour providers, interaction with



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them, governmental issues associated with labour—federal, provincial—it involved a variety of issues that obviously I had some background in and interest, and part of it was again my relationships in the industry. But these things are not mutually exclusive. They're all kind of complementary and overlap, so having some knowledge with respect to that and relationships makes for probably a smoother day relative to corporate planning and working.

AD: So you started with Shell as they were expanding and, you know, can you tell me what that actually involved in terms of numbers?

TB: Ya. When we started out ... Well, I can tell you what we ended up with. We ended up with, what I was associated directly with, which is construction. So, we had a mining operation taking place, a brand new mine that we were building in Fort McMurray, called Jackpine, and we had a brand new upgrader that we were building at Scotford. I was obviously associated with other aspects of Shell with respect to turnarounds and stuff like that. But those two operations, we ended up with a peak craft workforce of 5,000 people at Jackpine. And down at Scotford we ended up with roughly 10,000 people. So, it was a massive project. We're talking about a peak of about 15,000 trades people. We're not talking about all the others that were involved in this, from an engineering point of view and so on. So I think if you take a look at 15,000 trades people, probably in the range of 40 million plus hours that were worked to build an upgrader as an example. You know if you look at that and easily say 50 dollars an hour, you're looking at 2 billion dollars in wages so to speak. If you take 5,000 people, or just use half that, 2500, I mean the economic impact on Alberta and Canada from projects like that, whether it's with Shell or if it happens to Suncor with their Voyageur program or Syncrude building a new upgrader or CNRL doing a new project or Nexen or whatever, these projects create an unbelievable economic impetus to our province and country. They're, they are wealth creators.

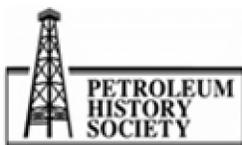
AD: Now you lived in Fort McMurray from what year to what year?

TB: I lived and working there actually in 1977, 79-89. I moved to Calgary actually in November of 1989. So I lived in Fort McMurray roughly 10 years.

AD: So basically, you married, had your family there?

TB: I met Patti there, yes. She's from Edmonton.

AD: And was she working ...?



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TB: She was working for Syncrude. I was working for Jacobs, and so that's how I met her. She was working in an administrative role. Actually, she was the executive assistant to the president of Syncrude at the time, and that's where I met her.

AD: And so tell me a bit about what it was like in Fort McMurray at that time.

TB: I was young. Like I said, I'd just graduated from university when I went up there first, so I was fairly young, in my early 20s. The town was very vibrant. It was very alive. It was full of energy for me. I was a little sports inclined, so I played ... you know, I played lots of golf and I played lots of racket ball and squash and tennis and whatever. It was ... if you wanted to be outdoorsy there was lots of outdoors to be a part of, whether you liked hunting or fishing. The social life was pretty good because, again, people got to know each other pretty easily. You met lots of people at work. I certainly met lots of people at work, because of the role I was in. And Fort McMurray to me was a great learning experience. It gave me the opportunity coming out of small town Newfoundland to meet a lot of people. I've always been interested in what others do and what they're about and whatever. So I kind of ... I can't look at Fort McMurray with other than pleasant memories. There are a lot of people that talk about Fort McMurray that have never been there, and I find that somewhat annoying on occasion, to be quite honest. I've always ... I ask people that are commenting on Fort McMurray, "Well, what years did you spend there?"

And they say, "Well, I've not been there."

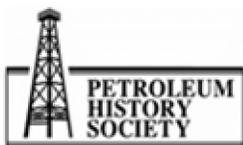
And I say, "Well, you know, you might want to take a visit to the economic engine of Alberta, so to speak, because it is a dynamic town." Albeit it's evolved into something unfortunately that we didn't want it to, and it's become one of the most expensive places to live. And I'm not sure that was a wise approach to allow that to happen. As a matter of fact, I'm absolutely certain that it wasn't a wise approach. And it's coming back to bite us, as we speak.

AD: Now, did you get involved in community activities?

TB: Ya. I was associated with the United Way and Big Brothers and a number of other groups. You know, there were a number of groups that I was involved in in Fort McMurray, including sports oriented stuff, and whatever.

AD: So you feel it was a good time in terms of you and your family.

TB: It was good for me, I mean Patti and I. We like to camp and took advantage of the summer in this regard. Even though the summer was short, we spent a lot of time out at Gregoire Lake. I became a reasonable windsurfer out there. So I ... Ya, Fort McMurray to me was very pleasant. I have great memories of Fort McMurray. I have great relationships that exist to this day from Fort



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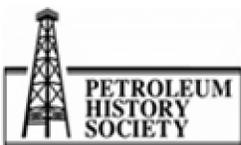
McMurray. It has provided for a number of people I knew of back east. Some of them have retired now and they are very comfortable financially because of their years in Fort McMurray. So, from a personal as well as a family perspective, it has brought a lot to us. It's been a blessing in disguise, so to speak, for a lot of folks in my family and the community I came from.

AD: Now there's one area that I neglected to ask you about, which is the whole issue of Aboriginal Peoples in the workforce up there and then also the Aboriginal enterprises. Do you want to talk a bit about that?

TB: I can talk about it. Sometimes I'm somewhat ambivalent when I talk about this area, because it causes me a lot of consternation and frustration. There is no doubt in my mind that the Aboriginal population need to participate more in the development of our province. That is certainly the case. One of the things that I find quite frustrating is the amount of energy and time and resources that are devoted to bringing people into the workforce, only to find that the retention rate is very low. And that then brings in what I call negative feedback from the employers and other that are associated with the process.

I do believe there is opportunity for Aboriginals to participate. I believe that what happens in our society right now is that we're, again, very focused on the attraction of folks into the industry, whether they be Aboriginal or otherwise, but we're focused on Aboriginals right now. But I think the case may be that we also have to focus on retention. And retention is equally as important as attraction. And I think the other thing that we need to focus on is programs that are built and developed, and if they're funded by government, whether provincially or federally, that have an attachment to the provider of that training that says you have a responsibility to follow that individual and to make them into an individual that can have a greater chance of success.

And, so, being somewhat cynical on occasion, there are no shortage of Aboriginal programs out there. There are shortages of successful Aboriginal programs if you get my drift. And I think I would love to see—and I've worked diligently and I'm still working diligently—to try and get more Aboriginals, whether they be males or females, into the trades, because to me one begets two, two begets four, and four begets eight. And that's how you create momentum. So, Aboriginal employment? I think it can be achieved. I think there are some people in Fort McMurray from a business perspective that have done extremely well; extremely well. I'm not so sure that the community or communities in the region have done so well as the individuals. And that says to me there is a need for additional focus, but it needs to be laser-like not shotgun-like.



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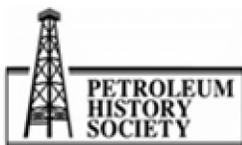
AD: When you were at Suncor and Syncrude, you saw really the beginnings of these kinds of affirmative action programs with respect to Aboriginal employment. In terms of Catalytic, has it been involved in any of these Aboriginal initiatives? And give me details.

TB: Ya, we were involved in Aboriginal initiatives, for example, one of the communities when I was working in Fort McMurray at Suncor was Fort McKay. We attempted to employ a number of folks out of Fort McKay. I mean we had special transportation that went out and picked people up and brought them in and took them back out at the end of the day, and whatever. There was interaction with groups at Gregoire lake and in other areas as well. But I can say from my perspective, I can't say there were, that we had a—I say we, as in me—had a major success. We employed Aboriginal folks, but I don't believe that we employed them to the numbers that we should have. And when I say we, I'm including the Aboriginal community.

You know, the Wood Buffalo Region (WBR) population of Aboriginal individuals, I think there's roughly 13 to 15 %, and I would suspect that they don't represent that in most employers. But, again, I would get back to the issue of retention, and that I see that as a major issue that needs to be addressed by Aboriginal leadership as well as owners and contractors, and I believe the national AFN leadership. As a matter of fact, I would like to be able to sit down, and hopefully we'll do that in the near future, with the national leadership of the AFN and talk to them about some of those concerns, because I'm sure that they want success as much as we want it. But it has to have more of a focus, and I think there's been a lot of what I consider getting on and getting off, getting on and getting off, and it's not fair, well it's not fair to anyone involved in the process, whether it be government, the Aboriginal community, the individuals themselves, whatever. It's about expending energy, time, and resources effectively, not about undertaking a program.

AD: Now, both Suncor and Syncrude, and I'm sure later examples, have really worked diligently to support individual Aboriginal entrepreneurship. Do you want to talk about that and give me some examples, name names?

TB: Ya, I think, and kudos to Syncrude in this regard. And, I think, again, mention the same names because they were true leaders: Eric Newell and Jim Carter and the Syncrude executive, but certainly led by Eric and Jim. I think Syncrude took it upon themselves, probably 20 years or so ago, to work with the Aboriginal community to provide them with opportunities to understand the business arena, get involved in business, and we will help you along to a point, but eventually you will have to be independent, so to speak. So, I think Syncrude, I suspect they've done hundreds of millions if not billions of dollars of work with Aboriginal firms right now. So, I think Syncrude started that. I think Suncor's been focused on it. I know Shell has, when I was there, was focused on it as well. So I think if you take a look at the area right now, I'd be surprised if any of the major owners are not involved in that type of process, whether it be CNRL, Suncor, Syncrude, Shell, etc.. So I think the



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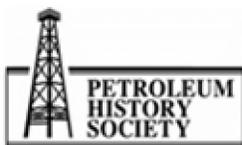
success is there. I think the Aboriginal community now understand they can participate in that environment and that some of the ... You know, Dave Tuccaro is an individual as an example, who has been extremely successful in the WBR. We've had Clearwater Welding that was owned by an Aboriginal firm, Golosky's. I think they've sold it recently. They've been extremely successful. There've been a number of other businesses that have achieved great success, and kudos to those individuals and kudos to the firms that have actually supported them along the way. I think there is an understanding in the Aboriginal community right now, yes you can participate, yes you can be successful. But you do have to devote time, energy, and resources to that, so this success didn't come about over night. And it didn't come about by luck. A lot of it came about by hard work on behalf of all folks involved in the process.

AD: So, basically, you're saying that in terms of Aboriginal participation in the work of the oil sands, it still needs a lot of effort and concentration.

TB: It needs a lot of work. It needs a lot of work from the community itself. I think it needs a lot of work from an educational background. I think it needs an understanding from a cultural perspective by those who employ Aboriginals-- that there are some distinct differences and whatever. I think it is ... I've always used the example from my own perspective. You know, when I was a young kid, my first trip to Toronto was an awakening to me coming out of a small town in Newfoundland of about a thousand people and all of a sudden I'm in a large centre. So, I said, we'll take an Aboriginal person that comes off a reserve that's five, six, seven, 800 people and dump them onto a large construction project with thousands of people and a whole raft of newness. Most folks that I know, and particularly those of the male persuasion, instead of admitting the insecurity, will tend to run. And you run back to your comfort zone. So, I think at the end of the day, there's a lot of work to be done by a whole raft of parties. But, again, I would go back to my comment that we will make the momentum and progress that is necessary with the Aboriginal community if we can focus on some of those issues. But, equally, focusing on retention. We will not make the progress, nor will people be inclined to participate, if the success rate is, for example, you bring in 20 people in January and in December you have one or two left at the end of the year. That is not success. That actually is a recipe for failure. And that has been the experience of a lot of folks over the last 20, 30 years.

AD: So what bright, brave, new ideas are there around retention?

TB: I think there is ... Syncrude has their fly-in/fly-out approach, you know, where people come in from Fort Chip, spend a couple of weeks working, go back out. When I was with Shell, we actually brought in a group from—and I don't know where they are today, by the way—but we brought in a group of folks from Lac La Ronge, just across the border in Saskatchewan. We set up training facilities right on the site. We had NAIT folks come up and put them through a ten-week



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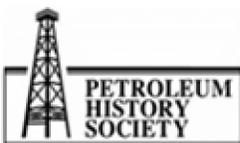


program. We put them up in the Albian village to give them a feel of what the village life was like, to live out in that type of construction atmosphere. And we guaranteed them a job at the end of their ten-week training. Now, in all fairness, I don't know where these folks are today. The construction project obviously ended, so I don't know if they're still working at Shell Albian, if they're elsewhere, or if they're back in their community. But I think we have to do certain things like that. I think we have to ensure that these folks are attached to someone during their stay, from the Aboriginal community and cultural background. But I think it's like families. Eventually, you have to let your child go, so to speak. They have to grow on their own. They need to become adults on their own. And, I think, with the Aboriginal community, we can do the same thing. I'm not ... I use the analogy just for a comparative point, not to denigrate or anything like that. But, if we can do those initial steps and get the comfortability, and get someone through their first year or so, your chances of success will become much greater. But it takes a lot of hard work on behalf of the community, the community leadership, the individual, the person(s) that may be the mentor or mentors, and the contractors and owners. So, it's a pretty detail-oriented issue, and I think we can get there, but it's going to require a lot of effort.

AD: Now, before I get you to talk about, you know, the future of the industry, environmentally it's been getting a black eye. Now, do you want to talk about environmental issues with respect to the industry then and now, you know?

TB: Well, I'm not an environmental expert, but I can certainly give you my view of what I have been a part of over the years and discussions I've been involved in in various boardrooms, both within the employers I was associated with as well as other contractors. I mean we all understand that we have a responsibility both morally and ethically and, hopefully, legally in some areas to take care of our environment. I don't think any company that I've worked with, whether contractor or owner, are out there in the business of saying, you know, we really don't care what happens to the environment. That has not been the case.

But, I think, we also have to be realistic in that, if we are going to go forward with the type of economic development that we're talking about, it is impossible not to do that without some environmental impact. The issue isn't about the environmental impact today. It's how we go about, in my mind, taking the operations that we have worked on for the last 10, 15 years or so and put them back to an almost pristine-type condition that we found them in. And I will give an example that, you know, looks from a visual perspective to be the right thing to do. Many times I go back out to the Syncrude site and I go over and take a look at the buffalo pound and I take a look at some of the lakes that are being put back to a visually, at least visually, great condition, I think we can do it. But, I think, it requires a fair amount of effort. I believe some of the new technologies that we're



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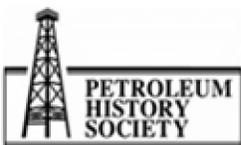


looking at, in particular with the tailings ponds, because the tailings ponds were the ones that really received a lot of attention, whether it was the ducks landing on them, or if it happens to be the amount of chemicals that are involved in them. It's a settling process. And I think some of the research that's being done right now by Suncor, Syncrude, Shell and CNRL, whether it's the centrifuge approach or if it happens to be the quick settling tailings approach used by Suncor, will have very positive impacts on that from an environmental perspective.

It's my hope that 10 years from now, 15 years from now, that the tailings ponds that we are looking at are probably a quarter the size of what they are now and that we're able to actually take those fine tailings and get them to where they're centrifuge-wise or not out of the system, so to speak. I'm hoping that's not wishful thinking. I'm hoping that new technology will actually assist us in that regard. I do believe that, from an environmental point of view, that we, including myself, we have done a very poor job as an industry and as a province of letting the rest of us, so to speak, as Canadians and others, know what it is we do, how much time and energy and resource that we actually provide to take care of our environment. And, if you talk to some of the folks that were involved in some of our construction projects, when they've spent hundreds of thousands of dollars to protect a species of birds that live in this certain area, or whatever, there's a lot that takes place that unfortunately doesn't get the publicity that it should. And, I understand that news is created in an environment right now that suggests somehow I'm entertaining you, and you have to get attention. So, I understand the news media. But I'm not so sure that the oil sands industry gets the fair overview that it should. It's something in my mind that we are responsible for and we haven't done a very good job of letting others know what we do.

AD: Now, of course, there are the miners. I mean, strip mining is ugly. There is any type of strip mining that happens in the world and the attention, of course, of environmentalists around the world is focused on the strip mining operations and the tailings. Now the SAGD-type of operations, of course, have different environmental impacts. And do you want to talk about that? Because I mean the proportion of SAGD operations is increasing.

TB: Ya, I've not been involved in a lot of SAGD. My background is primarily in the mining and upgrading aspect of the industry. But SAGD is certainly taking on a smaller footprint. I mean that's quite obvious when you go and take a look at the facilities. I understand that, you know, one of the issues is basically the amount of water that's being used, but in all fairness to SAGD operators a lot of that is brackish water that has been used, and so from my perspective is, you know, it's called the steam-assisted-gravity-drainage system for a reason. And, so, at the end of the day, I think SAGD is going to be here for a long time. There may be some mining operations that come into play still because of the proximity of the bitumen to the surface and you can get at it economically. But I do



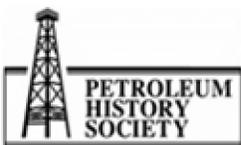
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believe, as you've indicated, that SAGD will certainly be the growth aspect of the industry relative to bitumen production. That in my view is there. I think environmentally it doesn't look like nor does it have the same impact from a visual perspective. But again, I guess I am biased, obviously when I talk about this, but when I go back and take a look at some of the operations that have been in play for quite a while, Syncrude being one of them, and if you went up to the Syncrude site right now and took a look at some of the land that's been reclaimed, albeit it's small, and if you didn't know about it, I'd be surprised if you could tell it's ever been mined. So, I think we can get back there, but it will take time. And, again, there's always a tradeoff between economics and balancing that out. I don't think there's anything that goes on from a day-to-day basis that doesn't affect our environment. I always remind people in my house that, if you're going around the house and, by the way, you've got 15 lights on when no one's in the room, you're affecting the environment. You might want to think about that. We all have an impact by our decisions on a day-to-day basis, so none of us are pristine when it comes to our impact on the environment.

AD: I'm going to ask you to really look at ... I mean you spent 32 years or longer in the industry and you are at an age where you are reflecting. You're looking back, but you're also looking forward. And I know that as a big picture thinker you have looked at the industry in terms of where it is going. Do you want to put on your futurist cap and talk about the industry and its development and issues and so on?

TB: I really do think the oil sands has still got the potential to be the major driving engine in Alberta for many decades to come. And, I think, that also extends out well beyond the borders of Alberta. One of my fears from a future point of view is that I'm not so sure that we as Albertans are setting ourselves up to maximize or optimize the value that we get from our oil sands. It worries me immensely, to be quite honest with you, that we are projecting to be exporting up to five million barrels of bitumen per day without the requisite upgrading. And, I take a look at that, and every hundred thousand barrels of bitumen that is exported is an upgrader, in my view. I've done some calculations on that, and it would suggest to me that, if we are continuing in the direction we are heading in right now is that we will be exporting wealth in the trillions, not billions, not millions, in the trillions of dollars to other countries. That I don't get. I don't get where we as Albertans and our political leaders would agree to such. I think that when someone says to me, "What does that mean to you Terry?" I say, "Well, I'll tell you what it means to me. It means that our tax base has been reduced. It means our ability to fund our health care has been reduced. It means that our ability to fund our military on a federal basis has been reduced. It means that our infrastructure programs can't be addressed the way they should be. It means that, basically, we will be running deficits when we should be running surpluses. It means that we will be taking money away from generations of Albertans and Canadians to come.



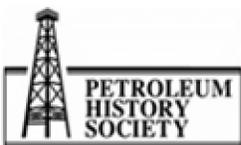
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It means to me that our arts and culture programs are going to be affected in a negative way, our Medicare system ...” It goes on and on and on. And, so, I look at this sometimes from a personal perspective, and it’s not me, as in what’s in it for Terry Burton. It’s what’s in it for my fellow Albertans and my fellow Canadians? And I’m all about a sense of fairness. I think that corporations should make a decent profit. I have no problem with that. As a matter of fact, without corporations making a profit, it’s like Samuel Gompers, a labour leader, said many years ago, “The greatest crime that a company can commit is not to make a profit.” Because, obviously, there won’t be employment. So, I agree with a return on investment being favourable, and we can create circumstances that can do that. But, I don’t buy into the fact that we cannot upgrade our bitumen in Alberta, or other parts of Canada, for that matter. And, so, every time we have an upgrader go outside of Alberta, I can assure you that we’re exporting billions of dollars of wealth to others.

I take B.C. as an example. Rough calculations, and these are, we are sending ... You know the Northern Gateway Pipeline will be moving to B.C. presumably, 525,000 barrels a day of bitumen. And, my comment is that when Christy Clark is talking to our premier, she is talking wanting to share in the royalties of Alberta. I think Premier Clarke’s picture is somewhat wrong in that regard, we’re talking a pittance with respect to sharing in Alberta’s royalties when, if we built five upgraders in Kitimat for the 525,000 barrels a day, the economic impact in today’s dollars to B.C. and Canada would be in the range of 230 to 250 billion. So, we’ve kind of got our priorities somewhat skewed in my mind.

You know, every upgrader that’s built is roughly 20,000 person years of employment, direct construction hours. That’s not talking about all the engineering, all that stuff, nor the 40-year lifetime frame of it all. So, I guess, the vision that I have of where the oil sands industry is going is that we projected once upon a time we would be upgrading 70% plus of our bitumen in Alberta. We are now down into the 30 % range and heading in the wrong direction. So, from my perspective, our political leaders have lost their vision. I’m disappointed and I’m saddened, more than anything else, because, once it’s gone, it’s gone forever. And this is what wealth creation is all about. It’s about creating a sustainable future and a standard of living for our fellow citizens to come. And I’m not so sure that ... I feel guilty to be quite honest with you, personally, when every year we talk about the transfer payments that take place in Canada that are roughly in the 14 to 15 billion dollar range, and we are looking at exporting trillions of dollars in wealth to other countries. And you don’t hear a peep about it either. There’s something in my mind that just doesn’t mesh well, so I’m worried. That worries me.



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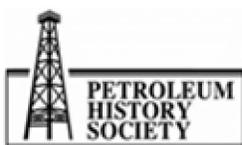


AD: Well, you know, the proponents of the pipelines are saying, basically, particularly off shore, is that we will be able to command a higher rate of revenue from sales to offshore clients, rather than the United States. Now, has anybody actually calculated, you know, what those profit projections would be versus what you're saying in terms of building more upgraders in Alberta or B.C.?

TB: I can only go back on a paper that I wrote a while back. And I don't know, I haven't done any research into it recently. But this was an article in the *Calgary Herald* probably well over a year ago. It was talking about the difference between bitumen and synthetic crude at the time, and I think it was 37 dollars per barrel. So, if you take a look at that and you're exporting bitumen, and for ease of calculation, we're exporting three million barrels a day of raw bitumen, theoretically at 60 bucks a barrel versus exporting it at 97, you know, we're giving away greater than 100 million dollars a day to some other jurisdiction. Well, that 100 million dollars a day plus, translated over a 40-year period, works into the trillions with what we're projecting right now.

In my view, that is a reduction in royalties. It's a reduction in jobs. It's a reduction in economic standards, and I'm not convinced from my experience in the industry that although we talk about it being more expensive to build upgraders in Alberta because of climate, etc. is the real case. Most projects that I've been associated with stand to reduce their costs tremendously if they were planned properly, procured properly, and we executed them properly. That is, it is not the individual on the tools. I believe that we are wasting on most of our mega projects right now 25 to 35 % of cost input. So, when people talk about return on investment I think there's been a cursory overview given on that. And, again, I'm not knocking our corporations re promoting more upgrading in Alberta. It is not their responsibility to make this happen. That is the responsibility of our political leaders to set up the framework to ensure that we build here in Alberta, or Canada—I'm not averse to it being in another province or whatever the case is—but I do believe we need to have that national and provincial discussion. And at this stage of the game, I am certain that it's not taking place.

I have talked to some of my own local MLAs and have not been overly impressed with the knowledge that they have of the industry, the most important industry in the province, and yet not understanding the long-range implications of where we're going on this. So, if you take two million barrels of raw bitumen exported, as an example, that means 20 upgraders at 20,000 person years, is equivalent to 400, 000 person years of construction work alone, and you can go on and on and on, because it's a major wealth creator. And, I think, we've got it wrong. Personally, I've been trying to address this on a number of levels, with a number of politicians and a number of other entities. But, again, I think it's a political issue with our politicians. Don't knock our corporations. They're in the mode of getting the greatest return for their investors, and I wouldn't expect them to do anything different.



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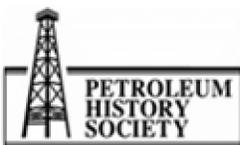


AD: What about this whole issue of the capacity of, say, northern Alberta to sustain more upgrader developments? Is that, you know, is that a serious concern?

TB: It is a serious concern because I think what we have done, again, we, the big we, we have not planned to do things well. And the Wood Buffalo region is an example. My view is that we have created an environment that is exactly the opposite of what I think we should have. And it still amazes me that, when I was a kid and going to university and working in northern Manitoba, Sherritt Gordon was very good at building mining towns, providing inexpensive housing to address people's needs. In Fort McMurray, with the most enlightened leadership of corporations in the world and government and whatever, we have turned it into the most expensive housing. And one of the most congested, under-represented, from an infrastructure point of view—we're in a catch-up mode right now—than it should be. So, yes, Fort McMurray has turned into something right now that we don't need, but I think we need to look in the mirror and find out why it is that way. So, we may have constructed that type of environment. But, again, all upgraders do not need to be built in Fort McMurray. As a matter of fact, Shell's got one, two just here in Fort Saskatchewan. So, we can certainly pipeline it down to other parts of the province. We can pipeline it to other provinces. Or we can pipeline it, quote unquote, south of Edmonton, so to speak. I'm not suggesting that's where we go, but there are other alternatives, and they're not in Southeast Asia or they're not in Europe. They're actually here in Canada or in Alberta. So, it's been done, and it can be done; and, from my perspective, if labour is a challenge, building on the coast of B.C. We can actually build modules and float them in there. We can't do that in Alberta, so there are lots of alternatives.

AD: Now, you know, looking at exponents of peak oil and so on. I mean, do you want to talk about that? And, is Alberta and Canada being over-reliant on the oil sands?

TB: I guess from my perspective—and I look at this from a worldwide view—first of all, I would suggest that even if we, from a societal point of view, wanted to get ourselves away from oil, that doing that in a short period of time is a recipe for disaster. There are too many things in the world that are interconnected with respect to oil from an economic point of view to say, "We are now going to stop cold turkey and go to another source of energy." It's not in the cards from a social perspective. It would be, in my mind, it's revolutionary in nature with respect to technology, but it's also revolutionary in nature in terms of society. Because we would, in effect, there would literally be hundreds and hundreds of millions of people displaced. So, when we talk about getting away and weaning ourselves off the oil thing, that is a real nice thing in theory, but from a practical point of view, I don't think it's in the cards for decades to come. I think oil is with us to stay. We've not found a good alternative yet that suggests that it's there. We may go down the road and find that,



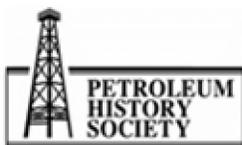
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and that would be great. But, again, it's a weaning process if we do find that. It's not an immediate thing we can do overnight. So, from my perspective, when you take a look at 10, 15, 30, 40 years, it's not a long timeframe relative to what may take place. I've been in Alberta now since 1977. We're looking down the road 40 years, don't see that as being a long time frame. Don't see the world changing dramatically. Don't see us getting away from oil, and don't see us being able to do that, as I mentioned before, not only economically is it unwise, but politically and socially it's unwise to do it with any sense of "Let's do it tomorrow." Can't happen.

AD: We've seen the vulnerability which a decrease in the price of the barrel creates. Now, with the worldwide recession that is happening, do you think there will still be the same demand?

TB: I think we're at the low end of the demand, at this stage of the game. I think, if you take a look at the world crisis that is in front of us right now—the European crisis, for example, there's a lot of instability in Europe recently, which has detracted from the overall economic demand in that region. I think the problems that we have experienced in the U.S. recently, and there is no indication that that's going to correct itself overnight, and it certainly isn't going to correct itself because we have a different president or the same president in November. The issues associated with other regions of the world, whether it's South America or not. As, for an example, Brazil has got great growth going, or whatever the case may be. China is backing away from growth, and to be quite honest with you I don't think any country can sustain growth of 10 plus percent for, you know, decades and decades. That's not realistic. So India, obviously, has got a growing middle-class population. So there may be blips along the way where demand may go down for a short period of time, but I see the demand for oil actually increasing. And it wouldn't surprise me in the least. I was talking to someone last night and we were talking about the crisis that is taking place right now with respect to Syria and Turkey and some of the shelling that's taking place. If we have an issue with Iran and the hyperinflation that they appear to be undergoing and there's a societal upheaval there and it impacts the Gulf, we could easily see the price of oil spike up to 125, 150 dollars a barrel. So, in the long term, no. I think the demand for oil is going to increase. In the short term, there may be certain periods where it will spike, or it may drop a little. But, even in today's economy, if you take a look, I mean oil is still in that 85 to 95 dollar-barrel range, with the economic challenges that we have around the world today. So, to me it's quite apparent that, in the long term, demand is going up not down.



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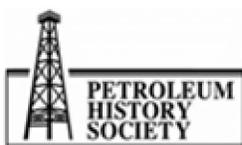
AD: And so, then, the growth trajectory for Alberta is going to continue on an upward incline. And that, potentially, if upgraders were to be built in other provinces like B.C. and Saskatchewan that the Canadian economy would continue to grow.

TB: Ya, I think, you know, our growth rate at this stage of the game is, you know Canada is growing now, albeit it's relatively small in that 1.5 to 2 % range over a period of time. But, I think that Canada as long as we are in that position to be able to supply the world with the resources that they need, and also we need a diversification strategy, which I think is part of the game as well. And I don't mean to use the term game in a negative way. But, I think, at the end of the day, we probably have one of the most sustainable economies in the world, if we can maintain good political governance, maintain economic policy that generates a stable environment for folks, and we've been in that position for many decades, and I don't suspect that's going to change.

I don't see that being a major upheaval. I don't see the Quebec situation as being a great risk to us at this stage of the game. I think our relationship with our friends down south is as healthy as it's ever been. I think our tendency to try and enlarge our relationship with China and Southeast Asia is the right thing to do. It increases the markets we can sell to in a variety of ways. I think our economy is actually poised to do well for the future. I don't think the economy can expect to be in the position of growing 6, 7, 8, 9 %. I don't see that. But, if we can get in that 3, 4 % range, I think we will do very well.

But I see the demand for skilled labour to be a challenge for all of us. And I think with the youth unemployment rate we have in the country that we should be more focused on getting people into those types of opportunities. When you have a 15 % youth unemployment, for example, it's somewhat highly suggestive that maybe we aren't doing some of the things we need to do to equip ourselves to undertake the jobs that are there. Ya, I'm not in a panacea with respect to where our economy may go, unless there's a major disruption. If there were a war to start with Iran, I think that would throw things in a very different perspective. I think if Europe doesn't get its house in order it could have some major long-range implications. And, if our friends down south continue spending at the rate that they are, from a deficit point of view, it could have major implications for us from a dollar perspective, and our ability to trade with them. So, there's a lot of unknowns on the world stage, but from a governmental federal perspective, provincial perspective, I think we have pretty healthy policies right now.

AD: Now, one final issue, you know, the whole Nexen sale and foreign ownership of Canadian resource companies by non-Western-European corporations. Right?



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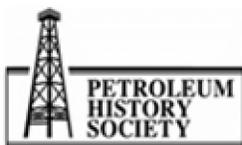
TB: Ya, it kind of appears to me, and again I'm not the most informed on this. I have my own perspective and I've read a little on it. It kind of appears to me we have somewhat of a double standard relative to anything that comes out of China, from an investment point of view. And, by the way, we have Chinese investment in Syncrude. We have a fair amount of Chinese investment in a whole raft of areas. So, I'm not adverse to capital coming from China. I mean, when you take a look at whose doing projects here, some are French based. If you take a look at Shell, Shell happens to be based in Europe, and whatever the case may be. If you take a look at Exxon, they're not based in Canada. Their parent corporation is in the U.S. Take a look at a lot of the companies that are investing in the oil sands, and whatever the case may be, they are not Canadian-based companies. So, we take a look at a state-controlled company, presumably, in China, and say, "Wow." I'm of the opinion, if the investment is to take place in Canada, and the Chinese want to invest, fine. If there are certain regulatory things that we want to put in place to help make sure that it is a solid investment and that, again, it is not kind of raping and pillaging of our technology, so to speak, or there's some other nefarious things taking place. But I'm not averse to folks investing in Canada. I see it right now as a bit of a double standard, and I don't see the bogeyman in the background that others seem to see on this one.

AD: well, I gather, I read, I think it was Diane Frances who said that it's really, Nexen is less than 1 % of, you know, the total oil sands pie. The issue is that, of course, Nexen also has American operations, and the United States, of course, is certainly putting on some pressure with respect to the state-owned company. That it is a traditional adversary of ...

TB: So we're talking two separate issues. We're talking what's in the interest of Canada and what may be of concern to the U.S. You know, I look at it from what's in the interests of Canada. I don't have that grave concern. The Americans may have some other reasons that I'm not aware of. But the question being, "Do I think it carries with it a lot of risk for Canada?" My answer is "I don't think so, unless someone can enlighten me as to why it is different from some other folks that are actually investing in our country that are, in effect, influenced by their state, albeit that they could be corporations that are part and parcel of that environment." But, again, there may be issues in Washington relative to the U.S., but I don't see that as the same here in Canada.

AD: Now, we're ranged pretty widely. Are there any summative remarks, anything that I haven't asked you about that you feel is important in terms of the evolution of the industry to this point and the future?

TB: Yes, there are a couple of areas. And if there's one that concerns me greatly, it's ... it appears to be the reluctance of our industry to train the numbers of apprentices that they should be, proportional to the amount of activity that is involved. It causes me lots of pain and anguish, really,



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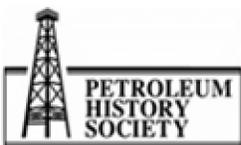


to be in an environment where we are constantly talking about a shortage of trades people and we have great youth unemployment across the country. We have numbers of folks that sit as apprentices on labour-provider out of work lists. And, yet, contractors are not hiring them. They are looking for journey persons. So, I think, one of the big issues that we've got in front of us from a societal point of view is that we need a commitment to the training of our people. This cannot be short-term-view thinking. Contractors and owners have to get beyond what's good for me tomorrow and the next day, and look out into the future.

So, to me, it is somewhat of a concern when I look at the unemployment rates associated with certain folks in our society. I think, again, there are numbers of folks that we can draw upon; women, for example, in the workforce that we're talking about. They probably represent about 7 to 8% of the workforce, so obviously there's great potential for growth there. There's an organization in Edmonton called Women Building Futures, under the direction of Judy Lynn Archer that we have associated with. When I was at the Shell Scotford project on the upgrader, we actually employed a number of folks from that organization to increase the number of females in the trades. So, I guess, that is of great concern to me. I think that we are missing the boat with respect to commitment to hire the number of apprentices and train them up on our large projects. There are some owners that are really heavily involved in that, but I would suggest that it is not receiving anywhere near the attention that it should, and the commitment that it should. So, if there's an area that we want to make some progress in, it's there for the taking, and we should do it because it's the right thing to do economically; it's the smart thing to do socially; and it's the right thing to do politically. There's nothing about it in my mind that's a negative, except that for some reason people are not committed to it to the extent they should be at this stage. It worries me greatly, and as a member of the Alberta Apprenticeship Board it worries me a lot.

AD: And you would think that governments would jump on this. I mean because across the country youth unemployment or even other manufacturing industries closing. I mean you think of Ontario and automobile manufacturing - those are skilled people that also could be used, if they're willing to move.

TB: Ya, there's a lot of things. In my mind if you take a look at it, you know, if you're on the outside looking in—and I've always said that, if you're on the outside looking in—and you hear the comments that come out on a daily basis with respect to the shortage of labour - and then you go out on a project and you say, "You actually have, you know,"—I'll use a number—"you have 5,000 people on this site and 30% of them should be apprentices. That's 15 hundred and, by the way, you've only got 500. Why?" And first, second, third, and fourth year, so there has to be good distribution. And, so, at the end of the day I've done enough research on this to ... you know,



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there's a study out there by the Canadian Apprenticeship Forum that indicates that you get a, I think it's a 1.42 payback. So, over a four-year program, you get an 11 $\frac{3}{4}$ % payback per year. I said, "God, if I could get investments like that guaranteed to me right now, you could have every penny I have in my RRSPs, and thank you very much. I really appreciate it."

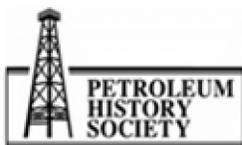
So, there's all kinds of myths out there with respect to the employment of apprentices. I've written a paper on that, as a matter of fact. Because there's myths that they're not as productive; not true. There's myths that they're less safe. Not true. There's a whole raft of myths, and again it's an education process. And I know that our Board Chair, Ray Massey, and others in government are trying to address this with a championship program. And there's been lots of discussion at a large number of venues, but we're not there yet. We need momentum in this area. It's absolutely essential.

AD: Anything else?

TB: Ya, just a final thought is that thank you and the Society for this. I think this is a great opportunity to talk about our province. I think we live in a province and a country that has been blessed both resource wise and economically and politically. And, I think, from my perspective, having the correct vision and having the commitment for a long-term view can do all of us well. I'll probably be in the hereafter when some of these things come to be a reality, but the futures of our kids, grandkids, great-grandkids are dependent on what we look at today and the foundations we build. So, we have stood on the shoulders of others before us, and there will be kids down that road that will be standing on our shoulders. And, I hope, they'll look back and say, "You know, these people were wise" and not that they gave away the farm.

AD: Well, thank you so much for agreeing to be interviewed to share your experience of the industry and also your vision for the industry and the future. Thanks so much.

The interview started around 9:20 and it ends at 11:28. Thank you.



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