

**YUKON**  
**SOCIO-ECONOMIC TERMS & CONDITIONS**  
**ALASKA HIGHWAY PIPELINE**

**DRAFT II**

**ISSUED BY:**  
**THE NORTHERN PIPELINE AGENCY,**  
**P.O. BOX 1605, STATION B,**  
**OTTAWA, ONTARIO.**  
**KIP 5A0**

**OCTOBER 1978**

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INTRODUCTION

Public Consultation on Proposed Socio-Economic  
Terms and Conditions Applying to the Yukon

This document has been prepared by the Northern Pipeline Agency to provide a basis for widespread public discussion and consultation on the detailed socio-economic terms and conditions that should be applied to the Foothills Pipe Lines (South Yukon) Ltd. in undertaking construction of the northern gas pipeline through the Yukon.

These terms and conditions are aimed at maximizing the economic benefits of this project for the people of the Territory, while at the same time, together with those terms and conditions applying to environmental matters proposed in a separate volume, preventing or minimizing any adverse social or environmental impacts.

The problems surrounding construction of the Alyeska oil pipeline in Alaska earlier in the 1970's, and a series of public inquiries in Canada relating to the building of a northern gas pipeline, all underlined the vital necessity of adopting special measures to govern construction of projects of such magnitude in the North. Although it is recognized that the Alaska Highway Pipeline project and the Alyeska project are different and the problems will be different, we can assume that certain aspects of the two projects will be similar and therefore

we can and should benefit from the Alaskan experience. Failure to do so would not only deprive northern residents of the opportunity they deserve to benefit from the undertaking, but could have adverse effects on people unaccustomed to large-scale industrial development, on the sparse and limited infrastructure of small and scattered communities, and on the environment which is so important to both the livelihood and the way of life of so many who reside there.

An initial Draft of proposed socio-economic terms and conditions and environmental requirements which drew heavily on the experience in Alaska and the findings of the National Energy Board and the Berger, Lysyk and Hill Inquiries was prepared by the Northern Pipeline Agency last May and sent to a number of provincial, territorial and local governments and special interest groups, including a number of native organizations, for their comments and suggestions.

Many submissions were received in response to the Initial Draft. These were carefully considered in developing this revised draft which is being widely distributed to residents throughout the Yukon in order to provide a focus to obtain their advice and comment during the course of a series of public hearings that are intended to be held early in 1979. These views, in turn, will be taken into account in the preparation of the final terms and conditions to be applied to Foothills.

The Northern Pipeline Agency will provide information related to the development of the terms and conditions including information on the public comment received. This information is available from the Northern Pipeline Agency offices in Ottawa, Calgary, Whitehorse and Vancouver.

Principal Changes Incorporated in the  
Second Draft Socio-Economic Terms and Conditions

A number of important changes in format and approach, as well as in substance, have been incorporated in this revised draft of proposed socio-economic terms and conditions.

No distinction was made in the Initial Draft on the application of terms and conditions to the different segments of the line, although it was always recognized that circumstances vary enormously along its 2,000-mile route.

The socio-economic terms and conditions outlined in this second draft are those which are proposed to apply to Foothills Pipe Lines (South Yukon) Ltd. and they will be accompanied subsequently by separate environmental terms and conditions. By the same token, specific

socio-economic and environmental terms and conditions will also be developed for application to the Foothills' subsidiaries undertaking other segments of the project in Canada.

In this revised draft of socio-economic terms and conditions for the Yukon, an effort has been made to draw a distinction between the general terms and conditions with which Foothills will legally be required to comply by order of the Governor-in-Council and the procedures to be established for implementation of these requirements. The legal requirements must be sufficiently broad to cover problems that may arise during the course of construction without the necessity of frequent amendment to deal with specific difficulties.

The essential element of flexibility will be provided through the authority vested in the Designated Officer, who will have power - subject to the concurrence of the Minister - to issue orders to the Company establishing the means by which particular terms and conditions are to be implemented.

One of the principal means of providing for the implementation of the terms and conditions is through the requirement imposed on the Company to formulate detailed plans for carrying them into effect. Such plans will be subject to the approval of the Designated Officer and



their subsequent implementation carefully monitored by the Northern Pipeline Agency.

The original draft provided for the preparation of a substantial number of plans to meet different requirements - such as information, northern resident training and employment, northern business opportunities, health, housing, and so on. In each case, the time was stipulated within which the Company would be required to submit the plan following adoption of the final terms and conditions.

The revised draft draws together the various planning requirements within a single section of the terms and conditions. To allow for greater flexibility and to avoid imposing unrealistic demands on the Company, Foothills will be required to propose a time schedule for the submission of plans to the Agency, which will be subject to the approval of the Designated Officer.

The format of this new draft has also been altered in an effort to make it more readily understandable. Each of the subject areas is headed by a section outlining the intended purpose of the proposed terms and conditions that follow, with a subsequent section indicating the manner in which the Agency intends to regulate implementation of those terms and conditions in order to achieve the objectives of the terms and conditions.

The undertakings made by the Company during the course of the hearing before the National Energy Board, have been incorporated, where appropriate, in the proposed terms and conditions, which, it is intended, will replace these undertakings. These undertakings are listed in the final section of the document as they were presented to the Special House of Commons Committee on a Northern Gas Pipeline.

Y. PROTECTION OF TRADITIONAL HARVESTING AND CULTURAL AREAS

Purpose

In the Yukon, a number of native people and some who are non-native depend wholly or partially on hunting, fishing or trapping as a source of food, clothing or income. To many engaged in these pursuits, they are important not only as a source of livelihood, but as a way of living. In addition to the areas in which these activities take place, there are many sites that are of cultural significance to Yukon residents.

Steps must be taken, therefore, to avoid or minimize damage or disturbance to such areas to the extent possible. The protection of archaeologically significant areas raises special issues which are dealt with in the proposed environmental terms and conditions.

Terms and Conditions

1. Foothills shall, within six (6) months of the coming into force of these terms and conditions submit an inventory and analysis, developed through consultation with Yukon Territorial

Government, native organizations and other interest groups, that indicates traditional resource use areas (hunting, trapping and fishing areas) and areas of cultural importance in the vicinity of the pipeline, including information on seasons when used, harvesting yields and trends in harvesting. This inventory shall be in a form and in such detail as is acceptable to the Designated Officer.

2. In consultation with the Yukon Territorial Government, appropriate native organizations, local communities and appropriate interest groups on traditional resource use, Foothills shall:
  - (a) Locate the pipeline related facilities to avoid, to the extent practicable, damage to or interference with traditional hunting, trapping or fishing areas and areas of cultural importance;
  - (b) Schedule pipeline activities, to the extent practical, so as to avoid conflicts with seasonal use of hunting, trapping, or fishing sites and areas of cultural importance;

- (c) Undertake to restore or replace sites utilized for resource harvesting or habitat critical to the resources utilized where damage to such sites by the pipeline cannot be avoided; and
- (d) Include in the employee orientation program information to ensure that all Foothills employees are aware of the various resource use areas and areas of cultural importance, and of Foothills' measures to avoid potential conflicts.

3. Foothills shall submit to the Designated Officer for approval, a Traditional Resource Plan to comply with the above requirements. This Plan, when approved, shall be implemented by Foothills.

### Implementation

Prior to developing and submitting its Plan to the Agency for its consideration, the Company will be expected to have undertaken widespread consultations with the Yukon government, local communities and native groups with regard to the siting of the pipeline and related facilities and their potential impact on harvesting and cultural areas.

Foothills will be expected to provide the Agency with a broad range of information related to its Plan, including the identification of resource use in different areas, an inventory of the wildlife population and normal seasonal or cyclical changes in that population, records of harvesting yields, and the location of areas of cultural significance. Much of this information will have to be obtained from local inhabitants.

When Foothills has sufficient information at its disposal, it will then be required to develop a Plan, in cooperation with the users of the resource, to protect traditional resource use. The Plan will deal with specific protection and conservation measures including such features, if absolutely necessary, as scheduling pipeline activities to avoid resource use conflicts.

U N D E R T A K I N G S

FOOTHILLS UNDERTAKINGS

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A. DEFINITIONS AND GENERAL REQUIREMENTS

Not applicable.



FOOTHILLS UNDERTAKINGS

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B. PLANS FOR THE IMPLEMENTATION OF SOCIO-ECONOMIC TERMS AND CONDITIONS

Not applicable.

FOOTHILLS UNDERTAKINGS

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C. INFORMATION

1. Foothills will put in place a community liaison program. This will involve the placement of Company representatives (preferably local people) in selected communities. The program will have a two-fold objective:

- to provide the northern people with an opportunity to be well-informed about the proposed pipeline system; and
- to provide them with a means for expressing their desires and concerns as they relate to this system.

Through this program, we hope to assure northern residents that these desires and concerns will be listened to and considered when pipeline construction and operation plans and policies are being developed. (Source: 1, pp. 8-9)

2. The applicant will consult with community residents in the formulation of plans for establishment of its area office in the various communities concerned. (Source: 3, p. 5A-5.20)

FOOTHILLS UNDERTAKINGS

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D. CONSULTATION AND LIAISON

1. Foothills will put in place a community liaison program. This will involve the placement of company representatives (preferably local people) in selected communities. The program will have a two-fold objective:
  - to provide the northern people with an opportunity to be well-informed about the proposed pipeline system; and,
  - to provide them with a means for expressing their desires and concerns as they relate to this system.

Through this program we hope to assure northern residents that these desires and concerns will be listened to and considered when pipeline construction and operational plans and policies are being developed. (Source: 1, pp. 8-9)

2. The Applicant will consult with community residents in the formulation of plans for the establishment of its area office in various communities concerned. (Source: 3, p. 5A-5.20)
3. The Applicant will provide a socio-economic monitoring staff attached to the work force. (One position for each construction spread and two more covering all work other than mainline construction.) The duties of the staff would be to ensure that all government and company socio-economic regulations are adhered to and to respond to unexpected events of a socio-economic nature. (Source: 6)

FOOTHILLS UNDERTAKINGS

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E. MANPOWER DEMAND SCHEDULE

1. Foothills will develop and make known to the public its employment policies. (Source: 1, p. 5)
2. The Applicant will participate in discussions of a comprehensive manpower program individually and collectively with representatives of contractors, unions, native groups and government agencies. (Source: 3, p. 5A-5.30)

Plans for Public Consideration of the  
Northern Gas Pipeline Project in the Yukon

At the time the Initial Draft of detailed socio-economic terms and conditions was issued around mid-May, the Agency expressed its intention to hold public hearings in the late summer and early fall in northern regions where socio-economic considerations were a matter of particular concern. In northern areas outside the Yukon, it was expected that these hearings would consider both the proposed socio-economic and environmental terms and conditions.

In the Yukon it was contemplated that a separate hearing on the Foothills Environmental Impact Statement be conducted by the Environmental Assessment Panel established under the chairmanship of F.G. Hurtubise. This Panel would have also reviewed, on behalf of the Agency, the environmental terms and conditions.

A number of submissions subsequently made to the Agency urged that public hearings in the Yukon on the detailed socio-economic and environmental terms and conditions be held in conjunction with each other because of the extent to which the two are interrelated. In an effort to meet these concerns, the hearings on the socio-economic and environmental terms and conditions and the Environmental Impact

FOOTHILLS UNDERTAKINGS

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F. TRAINING AND HIRING PREFERENCE FOR NORTHERN RESIDENTS

1. It is Foothills' policy that all "southerners" wishing employment on the pipeline will be hired "south of 60" and that no pipeline employment hiring of "southerners" will occur in Yukon. Only Yukoners will be hired in Yukon for employment on the pipeline project. (Source: 1, p. 13)
2. Foothills intends to give preferential hiring treatment to all employable Yukoners. When qualifications of a local resident and a non-resident are equal, preference will be given to the local resident. (Source: 1, p. 14)
3. In any given job category, all employees will be treated equally, and each will receive equal benefits and allowances including housing provisions. (Source: 1, p. 14)
4. In order to ensure the safety of personnel, all workers will be assigned responsibilities in accordance with their qualifications. (Source: 1, p. 14)
5. Yukoners will be offered employment at a location as close to their place of residence as it is practicable to do so. (Source: 1, p. 14)
6. Foothills will, by contractual obligations, assure itself that all contractors and sub-contractors operate in compliance with Foothills policies respecting employment and working conditions. (Source: 1, p. 14)
7. Training and employment opportunities will be directed at those persons who will be new entrants into the labour force, and other persons who for a variety of reasons have not fully participated in a wage economy. (Source: 1, p. 14)
8. Yukoners who elect pipeline employment will be assisted in obtaining information, training and counselling directed towards their own particular vocational goals. (Source: 1, p. 14)

FOOTHILLS UNDERTAKINGS

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9. There will be no discrimination regardless of race, sex or religion. (Source: 1, p. 14)
10. Those Yukoners who seek employment during the construction phase and do not have sufficient skills, will be encouraged to take advantage of the available training opportunities in those skills which will present employment possibilities on a continuing basis in the North. (Source 1: pp. 14-15)
11. During the construction period, Foothills will offer its operations and maintenance trainees employment as inspectors, materials men, inventory controllers, etc., in the construction management division of the Company. (Source: 1, p. 18)
12. Those Yukoners who become operations and maintenance personnel with our company will be given the opportunity to receive training which will enable them to take advantage of the long-term employment opportunities offered by the pipeline operational phase. This training will not only be directed towards the upgrading of skills, but also towards qualifying Yukoners to assume positions of supervisory and managerial responsibilities. (Source: 1, p. 18)
13. During the operations phase, Foothills is prepared to consider the implementation of a job rotation system to allow native residents to pursue traditional activities of hunting and trapping, should this be desired. However, such a system would tend to be more feasible in the case of the jobs outside the supervisory category. (Source: 1, p. 18)
14. In order to enable its permanent employees to extend the benefits of their salaried employment over a greater span of time, Foothills will provide a permanent employee benefits program. As presently contemplated, this package will include a savings plan, investment options, pension plan, life insurance and disability protection, all to be financed jointly by the employee and the Company. (Source: 1, p. 19)

FOOTHILLS UNDERTAKINGS

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15. The mechanism for providing pre-construction and construction training should be developed and made known to the public. While Foothills will co-operate fully in this, Canada Manpower, Contractors and Unions have traditionally provided this training and Foothills believes this practice should continue. The required training program for the operations phase is part of the Northern program. (Source: 1, pp. 5-6)
16. Foothills will give priority to Yukoners in the filling of all trainee positions and "experienced" positions. Selection of personnel will be made on the basis of individual aptitudes, interest, compatibility, etc. and length of residency in Yukon. (Source: 1, p. 38)
17. Upon receipt of the necessary approvals to construct and operate its proposed pipeline, Foothills intends to provide the additional operational phase training through an expanded NORTRAN program. We have been assured by our two sponsoring companies, Westcoast Transmission Company Limited and the Alberta Gas Trunk Line Company Limited, that when we receive the necessary approvals to construct and operate our proposed pipeline, they will make the on-the-job training positions we require available to us. We intend to place the trainees with these two pipeline operating companies until such time as our pipeline goes into operation. At that time, on-the-job training will be transferred to the North. (Source: 1, pp. 38-39)



FOOTHILLS UNDERTAKINGS

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G. RECRUITMENT OF WORKERS FOR THE YUKON

1. Foothills believes that an efficient manpower delivery system must be in place if employment of Yukon workers on the project is to be optimized:
  - (i) in order to avoid unnecessary duplication and competition for the local worker, the system should be designed to deliver Yukon manpower to the total project, i.e. pipeline and related activities;
  - (ii) the system should, as much as possible, direct persons into the vocation for which they are best suited;
  - (iii) the system should prepare the people for the working conditions which they will encounter;
  - (iv) as much of the delivery system functions as practical should be carried out in the communities, thus allowing Yukoners to remain in their home communities as long as possible; and
  - (v) the system should utilize services available from existing sources as much as possible.

Since government departments are already providing services similar to those described and in fact have offices located in a number of Yukon communities, it is Foothills' opinion that it would be appropriate for government to continue to provide such services.

Foothills will co-operate with the appropriate government agencies, contractors, unions and local organizations towards the development of such a manpower delivery system. Discussions have already taken place in this regard.

- (vi) Foothills will develop and make known to the public its employment policies. This process is presently ongoing.

FOOTHILLS UNDERTAKINGS

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(vii) Definition of "Yukoner"

In order to maximize local hire and training on the project, Foothills believes a universal definition of "Yukoner" is a necessity. Foothills looks to government to provide such a definition. (Source: 1, pp. 4-5)

2. For the construction phase, the project has been designed so as to have a minimum demand on the local infrastructure. (Source: 1, p. 12)
3. Routing of construction personnel to and from the job site will be done as expeditiously as possible. Existing airports will be utilized as points of arrival and departure from and to the hiring centres and connecting transportation will be scheduled so that there will be minimal waiting time at these airports. (Source: 1, p.12)
4. Return transportation to the point of hire will be provided for all workers who quit, are fired, or leave their work for any reason. (Source: 1, p. 12)

FOOTHILLS UNDERTAKINGS

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H. ORIENTATION AND COUNSELLING

1. Foothills will provide money management advice as part of its overall counselling services to those of its operations staff who desire it. (Source: 1, p. 19)

Orientation - Preconstruction Phase

2. The Alaska Highway Pipeline Project is to be constructed in a manner which will be familiar to most if not all of the southern workforce needed to be brought into Yukon in order to complete the project. Likewise, it is expected that because of previous construction activities in Yukon, Yukoners will experience little or no difficulty in adjusting to work on the pipeline project, since standard construction practices will be used.

For these reasons, extensive orientation programs are not considered to be necessary for the construction phase of this project. During the Operations and Maintenance phase, however, orientation programs similar to the one now being conducted by Nortran will continue to be part of the normal recruitment and training program.

Notwithstanding the above, during the construction phase Foothills does intend to provide an orientation program which will include:

- i) an explanation of camp rules and regulations including conduct codes, and equipment, building and vehicle usage;
- (ii) explanation of permit stipulations and other applicable regulations;
- (iii) introduction to and explanation of the on-site counselling services: and,
- (iv) safety practices and working conditions.

The program will be tailored to suit the various segments of the work force. (Source: 1, pp. 6-7)

FOOTHILLS UNDERTAKINGS

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Orientation - Construction Phase

3. All construction personnel will receive an orientation course, the content and length of which will be adjusted to suit their requirements (refer to the Pre-construction section). (Source: 1, p. 15)

FOOTHILLS UNDERTAKINGS

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I. OPPORTUNITY MEASURES

1. There will be no discrimination regardless of race, sex or religion. (Source: 1, p. 14)
2. The Applicant will provide employment opportunities on construction gangs for women and provide camp facilities to house women. (Source: 2, p. 27,026)

FOOTHILLS UNDERTAKINGS

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J. PREFERENCE TO MAXIMIZE NORTHERN BUSINESS OPPORTUNITIES

1. A prime objective of Foothills is to maximize within practical limits the participation of local businesses in our project. Foothills' prime role is the formation and implementation of policies designed to encourage entrepreneurship. (Source: 1, p. 7)
2. In order to accomplish this objective, discussions have been initiated and will be continued between Foothills and representatives of the Chamber of Commerce, Yukon Contractors Association, etc. These discussions are designed to:
  - (i) ensure that Yukon businessmen are aware of the opportunities to participate in and benefit from the construction and operation of the proposed Alaska Highway Pipeline Project;
  - (ii) ensure that the Foothills purchasing policies reflect any special circumstances or needs of Yukon businessmen;
  - (iii) develop a bidders list composed of potential Yukon suppliers of goods and services to the pipeline project. (Source: 1, pp. 7-8)
3. As a matter of policy, Foothills will encourage local entrepreneurship and will, wherever practicable, use Yukon firms to perform work. It will obtain its supplies and services including transportation from local businesses to the extent that supplies and services to residents will not be unduly inflated in cost or depleted in number. (Source: 1, p. 15)
4. Foothills will locate its construction headquarters in Whitehorse where close contact can be maintained with northern companies and organizations. (Source: 1, p. 15)
5. Contractors and sub-contractors on our project will also be required to purchase from local business wherever practical and where there will be no adverse effects on community supplies or services. (Source: 1, p. 15)

FOOTHILLS UNDERTAKINGS

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6. Foothills will identify the business opportunities which are potentially available to the local businessman in light of their capabilities and desires. The local Chambers of Commerce and other business organizations will play an important role in this identification of opportunities. (Source: 1, p. 15)
7. Whenever practical, contracts will be made available by Foothills in proportions which will be manageable by small local firms. (Source: 1, p. 16)
8. Whenever possible, a greater than normal lead time with regards to bidding on contracts will be provided the local businessman. (Source: 1, p. 16)
9. Foothills will encourage the involvement of local residents in the durable business opportunities created by the operations and maintenance phase of its pipeline toward maximizing the "local content" of the project.  
  
This policy will be implemented through the continued application of the local procurement policies initiated during the construction period and through continued input from the local business organizations. (Source: 1, p. 20)
10. The Applicant will encourage the forest industry centered in the Watson Lake area to supply forest product needs of the project. (Source: 3, p. 5A-5.23)
11. The Applicant will consult with representatives of the lumber industry in the Yukon in order to ensure the orderly development of the work and the avoidance of undue competition for labour. (Source: 3, p. 5A-5.24)
12. The Applicant will assist local business in the manner such as AGTL has in the past, i.e. advancing pre-payment for work to be done and entering into contracts which guaranteed work to these businesses. (Source: 2, p. 26,956)

(x)

Statement will be coordinated with a view to providing a single focus for this public review.

Copies of the full transcript of hearings and of all written submissions will be available for review by the public in the offices of the Northern Pipeline Agency. Full details on the nature, timing and location of the public hearings will be issued by the Agency as soon as they are available.

The Agency is prepared to hold information sessions to explain the terms and conditions in response to requests from local communities and interest groups at any time prior to the public hearings.

#### Implementation of Final Terms and Conditions

Following conclusion of the hearings, a final set of terms and conditions, which takes account of the views expressed by the public, will be adopted by the Governor-in-Council and become obligations which must be complied with by Foothills in undertaking the project in the Yukon.



FOOTHILLS UNDERTAKINGS

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K. TRANSPORTATION

1. Foothills...intends to remain as flexible as possible in its policies towards minimizing the detrimental impacts and maximizing the beneficial impacts of its project. (Source: 1, p. 2)
2. Foothills will be responsible for all costs which can be reasonably traced to its project. While certain costs will be easily traceable to the project, it will be difficult to determine the extent to which other costs should be assigned to the project, if at all.

Foothills believes that a procedure must be in place for allocating impact costs prior to the commencement of construction. Foothills is prepared to work with the appropriate government agencies in order to establish such a procedure. (Source: 1, p. 11)

3. For the construction period, the project has been designed so as to have a minimum demand on the local infrastructure. (Source: 1, p. 12)
4. The applicant will utilize accommodations along the highway only to the extent that it does not displace other highway travellers. Disruption of travel will be mitigated by scheduling the movement of goods in a manner to be determined in discussion with representatives of the local transportation industry and government officials. (Source: 3, p. 5A-5.28)
5. The applicant will schedule flights so as to not interfere with regularly scheduled air traffic. (Source: 3, p. 5A-5.10)
6. The applicant will maintain appropriate rescue vehicles during the construction phase, along the Haines Road to cope with winter traffic emergencies. (Source: 3, p. 5A-5.14)

FOOTHILLS UNDERTAKINGS

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L. COMMUNICATIONS

None

FOOTHILLS UNDERTAKINGS

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M. DISPOSAL OF SURPLUS MATERIAL

1. Following the construction phase, there will be considerable surplus materials available for disposal, and Foothills intends to give the people within the impact region the "right of first refusal" with respect to this equipment and material. Arrangements for the disposal of surplus equipment and materials will be co-ordinated with the appropriate governmental agencies. (Source: 1, p. 20)

FOOTHILLS UNDERTAKINGS

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N. EQUITY/DIRECTORSHIPS

1. Foothills believes the people of the Yukon should have the right to purchase equity ownership in the pipeline project on attractive terms and Foothills will develop a plan for doing so. (Source: 1, p. 11)

FOOTHILLS UNDERTAKINGS

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0. ELECTRIFICATION

1. The applicant will consider incorporating in the final design of the compressor stations being built in the Yukon, the capability of the compressors being driven by electric power. (Source: 2, p. 33, 664)

FOOTHILLS UNDERTAKINGS

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P. AVAILABILITY OF GAS TO YUKON COMMUNITIES

1. The applicant will arrange an exchange agreement whereby exchange volumes will be delivered to a Canadian distributor for its use in serving certain communities, such as Whitehorse and Watson Lake, located in the proximity of the proposed pipeline system in the Yukon Territory. Volume with equivalent heating value will be re-delivered at the Canadian-United States border to the Applicant or any other shipper who may agree to such an exchange. (Source: 3, pp. 5A-6.2 and 5A-6.5)
2. It is Applicant's intention to arrange to have a gas supply available to the communities in question and not own or operate community laterals or distribution systems. However, the applicant would operate community laterals or distribution systems if it were necessary in order for a community to obtain natural gas service. (Source: 3, p. 5A-6.5)
3. The Applicant will disseminate information and provide as much assistance as is practicable to ensure that the conversion of equipment and systems to natural gas usage can occur without undue costs and inconveniences. (Source: 3, p. 5A-6.6)
4. Foothills firmly believes the supply of natural gas to northern communities is a major beneficial contribution which the pipeline should bring to northern residents, even if special arrangements are necessary in order to do so. Since the Alaska Highway Pipeline Project will be transporting only United States natural gas, a plan was developed to provide gas to Yukon communities which involves an Alberta gas supply exchange arrangement. Pan Alberta Gas Ltd. has provided a letter to Foothills stating their willingness to make the required quantity of Alberta produced gas available provided approval is granted to cover its export from Alberta. Pan Alberta is presently in the process of making the necessary application to obtain such approval. (Source: 1, pp. 9-10)

FOOTHILLS UNDERTAKINGS

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Q. PROTECTION OF HIGHWAYS AND PUBLIC UTILITIES

None.

FOOTHILLS UNDERTAKINGS

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R. WORK CAMPS

1. Camp Management and Local Infrastructure Requirements:
  - (a) for the construction phase the project has been designed so as to have a minimum demand on the local infrastructure.
  - (b) construction workers will be housed on a single-status basis in self-contained, well equipped camps, well removed from the communities. Controlled tavern facilities will be provided in the larger camps.
  - (c) company vehicles will not be available to the construction work force for casual transportation and parking spaces for private vehicles at the campsite will be restricted.
  - (d) alcohol and financial counselling services will be provided as required in the construction camps.  
(Source: 1, pp. 12-13)
2. The Applicant will provide employment opportunities on construction gangs for women and provide camp facilities to house women. (Source: 2, p. 27,026)



FOOTHILLS UNDERTAKINGS

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S. HEALTH

1. The Foothills policy is directed towards not overtaxing the existing health care delivery systems in Yukon. Emergency health services will therefore be provided in the construction camps and suitable transportation arrangements will be made to evacuate patients to the South as required. All camp medical services and facilities will be under the direction of a medical doctor. (Source: 1, p. 13)
2. The Applicant will provide a doctor, on contract to the Company, to be stationed in Whitehorse to direct the activities of camp medical staff and to assist in the examination and treatment of injured personnel. (Source: 3, p. 5A-5.14)
3. Alcohol and financial counselling services will be provided as required in the construction camps. (Source: 1, p. 13)
4. In order to ensure the safety of personnel, all workers will be assigned responsibilities in accordance with their qualifications. (Source: 1, p. 14)
5. Notwithstanding the above, during the construction phase Foothills does intend to provide an orientation program which will include...
  - (iv) safety practices and working conditions... (Source: 1, p. 6)

FOOTHILLS UNDERTAKINGS

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T. SECURITY

1. Prior to construction, adequate security arrangements must be in place not only for the project, but for the communities as well. The latter, in Foothills' opinion, is a matter for the RCMP. Foothills will cooperate with the RCMP to the extent required. A plan for camp and right-of-way security and routine policing of our own regulations and permit conditions during construction will be developed by Foothills. The RCMP will be kept fully informed on this matter. (Source: 1, p. 10)
2. The Applicant will provide the RCMP with whatever assistance is reasonably required to enable the Force to effectively fulfill its responsibility for the maintenance of the law in respect to all matters related to project activities. (Source: 3, p. 5A-5.13)
3. Access to the camps and work sites will be available to the RCMP or other peace officers pursuant to their responsibilities. Further, Foothills will provide office space, accommodation and access to communication facilities at all major campsites for use by the RCMP. (Source: 1, p. 13)
4. No personal firearms will be allowed in the construction camp. (Source: 1, p. 13)
5. The Applicant will remain receptive, at all times, to police suggestions concerning company policy that may reduce criminal conduct or the need for police activity on the community at large. (Source: 3, p. 5A-5.13)

These final terms and conditions will incorporate certain general provisions which apply with respect both to socio-economic and environmental requirements, such as those relating to information, consultation and liaison. In addition, the final document will also contain the technical terms and conditions with respect to engineering requirements and other similar matters with which the Company will be required to comply.

FOOTHILLS UNDERTAKINGS

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U. HOUSING

1. Foothills will locate its construction headquarters in Whitehorse where close contact can be maintained with northern companies and organizations. (Source: 1, p. 15)
2. The Applicant will utilize accommodations along the highway only to the extent that it does not displace other highway travellers. Disruption of travel will be mitigated by scheduling the movement of goods in a manner to be determined in discussions with representatives of the local transportation industry and government officials. (Source: 3, p. 5A-5.28)
3. Foothills will provide accommodation or accommodation allowances for all of its permanent employees in Yukon. Foothills will also encourage its O & M personnel to purchase their homes rather than rent them from the Company. While it is premature at this time to outline the actual mechanism of such a home ownership plan, it is our intention to make it at least as attractive for our employees to own their own home as it is to rent. (Westcoast Transmission Company Limited already has in place a policy regarding home ownership assistance.) (Source: 1, p.19)
4. Foothills will work closely with the communities in order to avoid the overtaxing of infrastructure and will assist in the upgrading of existing facilities should our project make this necessary. (A method for consideration and one which Foothills would be prepared to adopt is to provide the community with advanced funding through the prepurchase of those lots which Foothills will require.) (Source: 1, pp. 19-20)
5. The Applicant will develop a housing policy on the basis of discussions and advice from community and government authorities, local business, financial institutions and a survey of potential employee requirements and expectations. (Source: 3, p. 5A-5.14)
6. The Applicant will, where necessary, construct housing for its operations and maintenance employees and provide assistance to those employees who wish to own their own homes. (Source: 3, p. 5A-5.16)

FOOTHILLS UNDERTAKINGS

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7. The Applicant will, in the provision of housing benefits make no distinction between employees who are residents of the Territory and employees who have come from outside the Territory. (Source: 3, p. 5A-5.17)

FOOTHILLS UNDERTAKINGS

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V. SURVEILLANCE, INSPECTION AND MONITORING

1. The Applicant will provide a socio-economic monitoring staff attached to the work force. (One position for each construction spread and two more covering all work other than mainline construction.) The duties of the staff would be to ensure that all government and company socio-economic regulations are adhered to and to respond to unexpected events of a socio-economic nature. (Source: 6)
2. The Applicant will provide the various government institutions in the Yukon with all the socio-economic information the Company can reasonably supply. (Source: 3, p. 5A-5.15)

FOOTHILLS UNDERTAKINGS

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W. COMPANY LIABILITY TO THE CROWN

None

FOOTHILLS UNDERTAKINGS

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X. COMPENSATION FOR DAMAGE TO PROPERTY

1. The overall philosophy of our compensation policy is that a person who has been adversely affected by our project should be compensated in such a manner that he is equally as well off after the construction of the pipeline as he was initially, and that during the operations phase, he will not be disadvantaged as a result of any action by the Company. The procedure for the settling of any claims will generally follow that which AGTL and WTCL have developed and found successful over the years. In particular for hunting and trapping losses due to pipeline activities, Foothills will negotiate (prior to the start of pipeline construction) with the Hunters and Trappers Associations, the method by which such losses will be compensated. (Source: 1, p. 9)
  
2. Foothills will be responsible for all costs which can be reasonably traced to its project. While certain costs will be easily traceable to the project, it will be difficult to determine the extent to which other costs should be assigned to the project, if at all.

Foothills believes that procedure must be in place for allocating impact costs prior to the commencement of construction. Foothills is prepared to work with the appropriate government agencies in order to establish such a procedure. (Source: 1, p. 11)



FOOTHILLS UNDERTAKINGS

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Y. PROTECTION OF TRADITIONAL HARVESTING AND CULTURAL AREAS

1. ...for hunting and trapping losses due to pipeline activities. Foothills will negotiate (prior to the start of pipeline construction) with the Hunters and Trappers Associations, the method by which such losses will be compensated. (Source: 1, p. 9)

FOOTHILLS UNDERTAKINGS

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GENERAL UNDERTAKINGS

1. The overall objective of Foothills' socio-economic program is to ensure that our pipeline system is planned, constructed and operated in such a manner that it offers the optimum net benefits to the residents of Yukon.

In stating this objective, Foothills recognizes that it must remain responsive to the society and economy of Yukon and thus intends to remain as flexible as possible in its policies towards minimizing the detrimental impacts and maximizing the beneficial impacts of its project. In the development of this program Foothills intends also to rely upon the extensive background and knowledge in this area of its two sponsor companies, Westcoast Transmission Company Limited and The Alberta Gas Trunk Line Company. In fact, much of the program is an extension of the basic approach which these two companies currently practice, and also that which AGTL followed in its earlier involvement with proposed northern pipeline systems. (Source: 1, pp. 1-2)

2. Probable impacts as a result of the project are assessed and policies and procedures are then formulated and implemented which we believe will best serve to provide the maximum overall benefit to a community or region. In following this procedure:
  - (a) the first step is to assemble a description of the current and past socio-economic patterns and trends of the area;
  - (b) the second step is to identify the potential areas of interaction between our project and the existing socio-economic environment; and,
  - (c) the next step in the process is to predict the effects and intensity of this interaction, and then to obtain feedback from the persons, communities or governments affected, so that this feedback can be used as input to possible project modifications in order that our overall objective will be achieved. (Source: 1, pp. 2-3)

FOOTHILLS UNDERTAKINGS

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3. Foothills has taken the position that construction of a pipeline in Yukon should not proceed until there is a broad acceptance of the project by the residents of that area. (Source: 1, p. 4)
4. Foothills considers that undesirable in-migration to Yukon could be the major detrimental impact created by the pipeline. As one means to discourage this, Foothills will undertake at the time the permit is issued, a suitable information program in southern Canada which will emphasize the Company's hiring policies and practices. (See Construction Section)  
  
Foothills is confident that with this program, its hiring and working policies and practices, the nature of the project and the extensive pipeline construction occurring "south of 60", an insignificant amount of undesirable in-migration into Yukon will occur as a result of the pipeline project. (Source: 1, p. 8)
5. Foothills believes a single regulatory authority would be preferable but not essential to its project. At present in the construction and operations of pipelines in southern Canada, it is necessary to deal with a number of different government agencies, and the process has proven to be workable. However, if there is to be a single regulatory authority, it is Foothills' opinion that it should be the National Energy Board. (Source: 1, pp. 10-11)
6. During the operations and maintenance phase, Foothills will rely upon the many years of operating experience of its two sponsor companies and exercise flexibility in establishing policies and procedures affecting its employees and the communities where its personnel and facilities are located. (Source: 1, p. 7)

SOURCES FOR UNDERTAKINGS

1. Canada, National Energy Board. Reasons for Decision: Northern Pipelines. Vol. 3, Chapter 5, App. 5-2, Ottawa, 1977.
2. Canada, National Energy Board. Transcripts of Hearings before the Board on the subject of Northern Pipelines. Orders 9H-1-76 and AO-9-9H-1-76. Ottawa, 1976-1977.
3. Foothills (Yukon) Pipeline Ltd. Application: "Public Interest - Socio-Economic Statement". Vol. 5A. National Energy Board exhibit FH(Y) 114-6.
4. Foothills (Yukon) Pipeline Ltd. "Answers to requests for supplementary information". National Energy Board exhibit FH(Y) 114-21, p. 7B-19.2.

TERMS AND CONDITIONS

A. DEFINITIONS AND GENERAL REQUIREMENTS

1. These terms and conditions may be cited as the Northern Pipeline Socio-Economic Terms and Conditions for the Yukon.

2. In these terms and conditions:

"Minister" means Minister as defined in the Northern Pipeline Act;

"Foothills" means Foothills Pipe Line (South Yukon) Ltd.;

"Agency" means the Northern Pipeline Agency; and "pipeline" means the pipeline as defined in the Northern Pipeline Act;

"Designated Officer" means Designated Officer as defined in the Northern Pipeline Act.

3. These terms and conditions shall be interpreted in accordance with the Interpretation Act R.S.C. 1970, c.I-23 as amended from time to time.

4. Foothills shall in the construction, maintenance and operation of the pipeline comply with all applicable federal, territorial

and municipal laws, orders, ordinances, regulations and by-laws.

5. Foothills shall in entering into any contract for the construction, operation or maintenance of the pipeline require as a condition of such a contract that the contracting party or any subcontractor respect these terms and conditions. Foothills shall be responsible for any breach of the terms and conditions of the contracting party of any subcontractor as if the breach had been committed by Foothills itself.

B. PLANS FOR IMPLEMENTATION OF SOCIO-ECONOMIC TERMS AND CONDITIONS

Purpose

Foothills will be required to prepare plans outlining the programs and procedures it proposes to adopt in order to implement certain of the socio-economic terms and conditions all of which are subject to the approval of the Designated Officer. The purpose of the following terms and conditions is to insure that these plans will be scheduled and carried out in a timely and orderly fashion.

Terms and Conditions

1. Foothills shall submit, for the review and approval of the Designated Officer, plans to fulfill the objects of the Northern Pipeline Act and to implement the socio-economic terms and conditions with respect to:
  - (a) Information on the pipeline;
  - (b) Training and hiring preference for northern residents;



- (c) Orientation and counselling of employees;
- (d) Opportunity measures with respect to native people and women in the Yukon and Northwest Territories;
- (e) Preference to maximize northern business opportunities;
- (f) Transportation requirements for the pipeline;
- (g) Communication requirements for the pipeline;
- (h) Siting, layout and services for work camps;
- (i) Health;
- (j) Housing for pipeline employees;
- (k) Compensation; and
- (l) Protection of traditional harvesting and cultural areas.

When approved by the Designated Officer, the plans shall be implemented by the Company.

2. Within thirty (30) days of the coming into force of these terms and conditions, Foothills shall submit for the review and approval of the Designated Officer, a Plan Schedule which shall, for each plan outlined above, show the date Foothills will submit the plan to the Designated Officer.
  
3. Foothills shall carry out the plans, when approved by the Designated Officer, within the time limits approved for implementation. These plans and the time limits for their implementation may be varied by the Designated Officer, where necessary.

#### Implementation

The foregoing terms and conditions allocate to Foothills the responsibility for planning procedures and programs which it considers will provide the most efficient and effective means of implementing the prescribed socio-economic terms and conditions laid down under the Act. At the same time, they also permit the Company to propose a schedule which it regards as practical and realistic for the submission of such plans.

The Designated Officer will review the schedule and subsequent plans to determine whether they meet the stated

objectives and may require changes to be made in the timing or in the proposed plans themselves, if, in his judgment, they do not meet that goal. In considering the implementation plans put forward by the Company, the Agency will maintain close consultations with the Yukon Advisory Council. Once approved by the Designated Officer, implementation of the plans becomes a binding requirement on the Company. These plans will be available for public examination at all offices of the Agency and copies will be available from the Agency on request. The process of implementation will be monitored by the Northern Pipeline Agency to ensure that the plan is being carried out in practice. Because of the necessity to retain flexibility, the Designated Officer is empowered to direct that alterations be made to such plans, or to the means of carrying them out, if required to meet particular local conditions or changing circumstances. Such revisions, however, must comply with the broad terms and conditions laid down in the Act or adopted by the Governor-in-Council.

C. INFORMATION

Purpose

It is important that a comprehensive information program be developed by the company to inform governments, the Yukon Advisory Council, local community bodies, native and appropriate special interest groups and residents of the Yukon generally, about all aspects of the pipeline development of interest and concern to them.

The media can be expected to play an important role in conveying information of a general nature about the project to the public. But it is also necessary for Foothills to supplement this process by making information available directly to community organizations, local residents and individual native organizations with respect to matters relating to their particular interests and concerns.

Terms and Conditions

1. Foothills shall provide information within adequate time to governments, the Yukon Advisory Council, local communities,

native organizations, special interest groups and residents generally, with regard to the planning and construction of the pipeline, including that involving:

- (a) Route and construction schedules;
- (b) Proposed use of land and natural resources of the area;
- (c) Special environmental considerations;
- (d) Training and hiring of northern residents;
- (e) Northern businesses, including native enterprises, in providing goods and services to the project;
- (f) Plans for provision of permanent and temporary housing for workers engaged in construction and operation of the pipeline;
- (g) Procedures established as part of the terms and conditions to facilitate provision of compensation for damages to

property caused directly or indirectly by the project;  
and

(h) Any other matter specified by the Designated Officer.

2. The information provided by Foothills shall be in a form best suited to meeting the needs of the public towards which it is directed.
3. Foothills shall consult with the governments of the Yukon and the Northwest Territories, local communities and native organizations to ascertain their requirements for information and to facilitate coordination of their respective information programs.
4. Foothills shall facilitate public access to appropriate information about the pipeline, in particular, in communities adjacent to the pipeline.
5. In addition to any similar activities undertaken at its own initiative, Foothills shall provide experts to assist in presenting information about the pipeline project at public

meetings, workshops and seminars in particular communities if directed to do so by the Designated Officer.

6. Foothills shall submit to the Designated Officer an Information Plan designed to comply with the foregoing requirements, which it shall implement following approval by the Designated Officer.

#### Implementation

In reviewing the Information Plan submitted for its approval, and in subsequently monitoring the program that the Company will be required to develop in keeping with the terms and conditions that will be established by the government, the Agency will take account of a number of considerations.

It will be concerned to ensure that appropriate groups have been carefully consulted on the kind of information they consider should be provided and the way in which it should be delivered, including in particular the relationship to any impact information centres that are established in the Yukon. The Agency will be concerned that means be provided in communities for continuing access to all relevant information provided by

the Company and that periodic lists be prepared outlining the reports, studies and other appropriate information materials that are available.

In overseeing the implementation of the program, the Agency will also expect the Company to make the best use of the many means available today, as appropriate to the conditions and circumstances, to communicate necessary information to northern residents. This could include the dissemination of information through the media, information centres, brochures, reports, workshops and public meetings, native organizations and other groups, film or audio-visual presentations that explain in realistic terms what is involved in undertaking a major pipeline project, and through the use of native languages.

The information made available to the public by the Company should outline the potential benefits available from the project to residents of local communities, but it should also indicate the measures that the Company plans to take in keeping with other terms and conditions to prevent or minimize potentially adverse social, economic or environmental impacts. And it should clearly and frankly explain the nature of any temporary but unavoidable dislocations affecting particular communities.



In developing its Information Plan, the Company should take account of its further obligation to maintain consultation and liaison with local communities.

As in many other areas, the Agency will be looking to the Yukon Advisory Council to provide it with advice and guidance both in relation to the Information Plan developed by the Company and the manner in which the Plan is being implemented.

D. CONSULTATION AND LIAISON

Purpose

A continuing process of consultation and liaison by Foothills with the Territorial governments, local communities, and with native and other appropriate organizations, on the planning, construction and operation of the pipeline is one of the essential requirements to ensure that the project yields the greatest possible benefit to residents of the Territory and creates the least possible social and environmental disruption.

In keeping with its previous commitments, the Company will be required to keep appropriate interested groups fully informed about all relevant plans and developments, to consult with them about any potential problems that could arise, and where possible, to seek to work out mutually satisfactory solutions.

Terms and Conditions

1. Foothills shall consult with the Territorial governments, native and other appropriate organizations, and local communities, to ensure that the pipeline is planned,

constructed and operated in a manner to provide the greatest possible benefits and least possible disruption to local residents.

2. Foothills, when it proposes to consult with local communities shall:
  - (a) Keep the Agency fully informed about such consultation;
  - (b) Inform the public of its intention to consult;
  - (c) Use local residents where practicable, to perform a liaison function in communities and to assist in consultations.
3. Foothills shall consult with the Territorial governments, native organizations, or local communities, within thirty (30) days of receiving a request to do so from the Agency, and report to the Agency the results of such consultations.
4. Foothills shall fulfil any commitments made and accepted in the consultations and approved by the Designated Officer.
5. Foothills shall consult, as appropriate, with contractors and labour organizations, and shall report the significant

results of such consultations to the Agency.

6. Foothills shall provide a conveniently located contact office or other means to facilitate the process of liaison and consultation.

#### Implementation

The Agency will play an important role in overseeing the process of liaison and consultation undertaken by Foothills with the various bodies concerned. In some cases it may perform a coordinating function by requiring consultations to be undertaken, and by monitoring their outcome so as to ensure that any commitments made in the process are carried out. The obligation of the Company to keep the Agency advised of consultations will assist in preventing unnecessary duplication between Foothills and the Agency in this process.

The effectiveness of community consultations will be enhanced by the requirement on the Company to inform the public in advance about proposed community consultations and to maintain close liaison with local residents.

The Yukon Advisory Council will be kept fully informed and can be expected to inform the Agency in cases where it considers the process of consultation to be inadequate.

E. MANPOWER DEMAND SCHEDULE

Purpose

In order to maximize for northern residents, the training and employment opportunities that will be created by the pipeline, it will be necessary to determine, at the earliest possible time, the total requirements of the Company for various types of manpower to undertake the project in the Yukon.

This information is essential to permit government agencies, the Company and unions - as appropriate - to plan and undertake any advance training necessary for northern residents seeking employment on the pipeline. These manpower demand schedules are also required for the operation of a manpower delivery system that will ensure maximum opportunity for employment on the project by qualified northern residents.

Terms and Conditions

1. Foothills shall submit to the Designated Officer manpower demand schedules for the construction, operation and maintenance of the pipeline in the Yukon. The schedules shall include the following elements:

- (a) Listing and description of jobs in each occupational category by location, and where applicable, construction season, specifying the number, duration and when required; and
- (b) Entrance requirements for each occupational category, including education, training, work experience and, where applicable, the usual union affiliation.

Foothills shall provide any revisions necessary to this schedule as construction progresses.

- 2. To facilitate the foregoing, Foothills shall require from all its contractors and subcontractors detailed manpower demand schedules within thirty (30) days of the awarding of any contract. These schedules shall be sent to the Designated Officer.

#### Implementation

Following their submission by the Company, the manpower demand schedules will be reviewed in consultation with appropriate government agencies. The Company will be required to respond to

any question or suggested modifications. The manpower demand schedules will be circulated to all interested parties, and will form the basis of all subsequent manpower planning and information activities. In reporting on occupational categories, Foothills will be requested to use the Canadian Classification and Dictionary of Occupational Titles so as to facilitate consideration of manpower requirements by the appropriate interested parties.

F. TRAINING AND HIRING PREFERENCE FOR NORTHERN RESIDENTS

Purpose

One of the major benefits of the project available to northern residents - particularly in the Yukon - is the opportunity it will provide on a preferred basis for job training and employment associated with the construction, operation and maintenance of the pipeline.

An important objective for those involved in the construction phase will be to provide training and work experience of a kind that can lead to continuing employment for northerners in other industrial activities after the project has been completed in the Yukon.

While the number of permanent jobs that will be provided by the operation and maintenance of the system in the Yukon is not large, the Company will be required to give a clear preference to northern residents when selecting applicants for training and employment - including supervisory and managerial positions.



Terms and Conditions

1. Foothills shall provide or arrange for pipeline-related training opportunities to northern residents for the construction, maintenance and operations of the pipeline in the Yukon, emphasizing training leading to permanent employment - either on the pipeline itself or in other industrial activities.
  
2. Foothills shall submit to the Designated Officer a Northern Residents Training Plan to comply with the foregoing requirement. This Plan, when approved by the Designated Officer, shall be implemented by Foothills.
  
3. Foothills shall, for all jobs in the Yukon, give hiring and training preference in the order shown below to the following classes of northern residents:
  - (a) Permanent Yukon Resident: one who is registered or is entitled to be registered with the Yukon Health Care Insurance Plan and has resided within the Yukon on a permanent and continuing basis, except for absences for good cause, for five years or more before the date the individual's status is determined, and who has not in the five year period claimed residence in another territory or province;

(b) Yukon Resident: one who was registered or was entitled to be registered with the Yukon Health Care Insurance Plan on August 1, 1977, and, who, except for absences for good cause, has resided in the Yukon on a continuing and permanent basis and who has not claimed residence in another territory or province after August 1, 1977, or such date as may be determined by the Designated Officer; and

(c) Mackenzie District Resident: one who was registered or was entitled to be registered with the Northwest Territories Health Care Insurance Plan on August 1, 1977, and who, except for absences for good cause, has resided in the Mackenzie District of the Northwest Territories on a continuing and permanent basis and who has not claimed residence in another territory or province after August 1, 1977, or such date as may be determined by the Designated Officer.

4. Foothills shall establish and chair an Employment Screening Committee consisting of representatives of the contractors, relevant unions, Territorial governments, Canada Employment and Immigration Commission and native organizations. The

Committee shall determine whether interested northern residents are qualified for training and employment in one of the many different occupations required to undertake construction, operation and maintenance of the pipeline system.

5. Foothills, in giving training and hiring preference to the abovementioned classes of northern residents, shall follow the direction of the appropriate Territorial Manpower Needs Committee in any instances in which there are disputes or questions concerning the residence qualifications.

#### Implementation

The Northern Pipeline Agency attaches prime importance to the provision of opportunities for northern residents to be involved on a preferential basis in training and employment associated with pipeline activities.

In the case of training, Foothills will be expected to consult closely with the Manpower Needs Committees of the Yukon and Northwest Territories and the appropriate membership of its own Employment Screening Committee in drawing up a Northern Residents Training Plan covering construction, operation and

maintenance. As in the case of other such plans, the Training Plan will be subject to the approval of the Designated Officer and its implementation monitored by the Agency.

In developing the Training Plan, it will be necessary to delineate the responsibilities of the Company to provide training directly associated with particular pipeline occupations and the responsibilities of government to provide the prior academic or vocational training that may be required to enable northern residents to qualify for the specific job training provided by Foothills.

It is the intention of the Agency that the Training Plan developed by the Company should cover the following areas:

- (a) The steps a northern resident must follow to become trained to meet job requirements;
- (b) The program to be undertaken to inform and counsel northern residents about training opportunities;
- (c) The training requirements for the project, including special requirements to maximize training opportunities for northern residents;

- (d) The courses (title, description, location, duration) conducted by unions, contractors, and governments;
- (e) The number of training positions, by occupational group and project phases for training associated with the pipeline, that will be available with the Company;
- (f) Training standards; and
- (g) Method of selecting northern residents for training.

Matters regarding the qualifications of northern job applicants for various types of employment, and matters regarding individual training needs, will be dealt with by an Employment Screening Committee chaired by Foothills and composed of the appropriate representatives of contractors, unions, Territorial governments, the Canada Employment and Immigration Commission, and native organizations. The Territorial Manpower Needs Committee will rule on any disputes over northern residence qualifications.

As a result of its close association with the Canada Employment and Immigration Commission, which is a member of the proposed Employment Screening Committee, the Agency will be assisted in ensuring compliance by Foothills with the terms and conditions relating to northern training and employment.

G. RECRUITMENT OF WORKERS FOR THE YUKON

Purpose

The establishment of a system governing recruitment of workers on the pipeline project in the Yukon is a vital necessity for two reasons. It is required to complement and reinforce the training and hiring preference for northern residents provided for in other terms and conditions. And it is required to minimize the inflow of workers from southern Canada seeking pipeline employment, which could have adverse social and economic impacts in the absence of controls.

The purpose of the following terms and conditions is to insure that only northern residents may be hired in the North for employment on the project in the Yukon. The recruitment of workers from southern Canada or of northern residents who do not qualify for preferred consideration will be permitted only at centres in the South. To further reduce the impact on the Yukon of this influx of workers, the Company will be required to adopt a number of measures aimed at controlling the movement of the southern work force to, from and within the Territory.

Terms and Conditions

1. Except as authorized by the Designated Officer, all recruitment of Permanent Yukon Residents, Yukon Residents and Mackenzie District Residents for pipeline work shall take place within the Yukon and Northwest Territories through a Manpower Delivery System.
  
2. All Permanent Yukon Residents, Yukon Residents and Mackenzie District Residents hired by Foothills shall be compensated for transportation between the point of hire and the worksite in accordance with standards approved by the Canadian Pipeline Advisory Council, or the applicable union agreement. Foothills shall establish staging points in the Mackenzie District, Northwest Territories.
  
3. Except as authorized by the Designated Officer, all recruitment of persons other than Permanent Yukon Residents, Yukon Residents and Mackenzie District Residents for the pipeline shall take place outside the Yukon.
  
4. Persons not contemplated by clause 3, hired by Foothills, shall be transported between the staging area and the work

site as expeditiously as possible. In arranging such transportation, Foothills shall ensure that unreasonable demands for food and accommodation are not placed upon local communities when delays in transit occur.

5. All persons recruited south of 60<sup>0</sup>N for work on the construction of the pipeline in the Yukon, shall, upon leaving employment for whatever reason, be provided transportation by Foothills to a staging area south of 60<sup>0</sup>N.

#### Implementation

The Northern Pipeline Agency will monitor the implementation of these terms and conditions relating to the recruitment of workers for employment on the project in the Yukon with the assistance of the Canada Manpower and Immigration Commission. The Commission will have broad responsibility for over-seeing the Manpower Delivery System that will be established in cooperation with Foothills, the Territorial governments, and associated unions and contractors, to help meet the objectives of the terms and conditions on recruitment.



It is intended that the Manpower Delivery System incorporate procedures designed to ensure that maximum employment opportunities are made available to northerners by identifying those residents able and willing to work on the project and by ensuring that pre-employment training is made available in cases where training is required for a northern resident to qualify for pipeline jobs. In addition, the Manpower Delivery System should be structured so as to provide advance indication when qualified northern residents seeking pipeline employment can expect to be called for particular jobs, and arrange for them to arrive at the job site.

H. ORIENTATION AND COUNSELLING

Purpose

It is essential that orientation courses be conducted for all pipeline employees to help establish and maintain an informed workforce sensitive to the impact of the project on the social and physical environment.

In the case of workers from the south, it is important that instruction be provided to familiarize them with living and social conditions in the Yukon, particularly with respect to the culture, customs and values of native people. It is important also that all employees, particularly northern residents who may have had little past involvement in such projects, be fully informed about living and working conditions on the project and about the rules and practices with which they will be expected to comply.

It is important that counselling services be available to employees to help them deal with any personal or family problems that may arise.

Terms and Conditions

1. Foothills shall provide an orientation program for all employees. It shall be in a style easily understood by employees and be designed to respond to both changing needs due to project modification and progress, and the needs of different groups of workers. The program shall be designed following consultation with local people.
  
2. Foothills, in consultation with appropriate agencies, shall provide referral counselling to employees on such matters as family relations, personal finances and alcohol or drug abuse.
  
3. Foothills shall submit to the Designated Officer for approval an Orientation and Counselling Plan designed to comply with the above requirements. This Plan, when approved by the Designated Officer, shall be implemented by Foothills.

Implementation

The Orientation and Counselling Plan proposed by Foothills will be subject to the approval of the Designated Officer and its implementation monitored by the Agency.

The Plan to be prepared by Foothills should include information on the structure of the orientation program, its content, the personnel involved and the timing and location. The orientation program should cover, as appropriate, the following subjects:

- (a) Introduction to and description of the project, including Foothills, contractor and union relationships;
- (b) The socio-economic characteristics of the construction area, relationship of the pipeline to the community and community concerns, and ethnic and cultural characteristics and social patterns of the construction area;
- (c) Living and working conditions, and camp regulations, including conduct codes, equipment and vehicle use rules, and recreational opportunities;
- (d) Physical environment;
- (e) Biological environment (birds, mammals, fish, vegetation);
- (f) Archaeological and other sites of cultural significance;

- (g) Environmental inspection and monitoring process, including environmental rules and regulations, the role of company and government inspectors and enforcement mechanisms;
- (h) Opportunity measures;
- (i) Safety and security practices, including health care and medical evacuation plans, fire control, control of hazardous substances; and
- (j) Legislation governing the project as it relates to the workers' responsibilities and the monitoring of performance.

The Plan is also to include details on the arrangements being made by Foothills to assure adequate counselling services for workers.

I. OPPORTUNITY MEASURES

Purpose

In keeping with the objectives adopted by Parliament with the passage of the Federal Human Rights Act, Foothills will be required to develop Opportunity Measures Plans designed to provide full opportunity - on a non-discriminatory basis - to participate in the pipeline project to those who traditionally have been at a disadvantage in obtaining certain types of work or engaging in certain types of enterprises. Under the Plan, the Company will be expected to take steps to facilitate the hiring of qualified and interested native people and, to the extent possible, establishing working conditions suited to their particular needs. Similar measures should also be established to facilitate the ability of native enterprises to supply goods and services. The Company will also be obliged to establish facilities and conditions necessary to enable interested and qualified women to take advantage of employment and business opportunities.

In addition, the Company will be required to comply with the provisions of the legislation prohibiting discrimination against any person on such grounds as race, religion, colour or sex.

Terms and Conditions

1. Foothills shall, in establishing its training and employment procedures for the construction, operation and maintenance of the pipeline, ensure that native people have full access to job opportunities, and provide support measures to meet the special needs of native people.
2. Foothills shall ensure that natives and women have full access to business opportunities afforded by the pipeline.
3. Foothills shall invite natives who are Permanent Yukon Residents to join its Board of Directors.
4. Foothills shall, in establishing its training and employment procedures for the construction, operation and maintenance of the pipeline, ensure that women have full access to job opportunities and Foothills shall provide support measures to meet their special needs.
5. Foothills shall not discriminate against any employee or applicant for employment on the basis of race, national or ethnic origin, colour, religion, age, sex, marital status, conviction for which a pardon has been granted or physical handicap.\*

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\* Proscribed grounds of discrimination from Canadian Human Rights Act, Part I, Section 3.

6. Foothills shall submit to the Designated Officer Opportunity Measures Plans for native people and for women to comply with the above requirements. These Plans, when approved by the Designated Officer, shall be implemented by the Company.

#### Implementation

In reviewing and assessing the Opportunity Measures Plan for native people, the Agency will pay particular attention to the training and employment procedures proposed to provide special support to this group. To the extent that it is appropriate, the Agency will be concerned that measures are put in place to enable native people working on the pipeline to take temporary leave to engage in traditional fishing, hunting or trapping activities. Such measures could involve the establishment of labour pools as a means of adopting a system of job rotation. To assist native enterprises, the Company should make provision for consultation regarding their inclusion on bidders' lists and, to the extent possible, tailor procurement contracts to their capabilities.

The Company will also be expected to propose affirmative measures aimed at opening opportunities for women to participate in pipeline training and employment and business including provision of suitable accommodation and other facilities and services that may be required.



J. PREFERENCE TO MAXIMIZE NORTHERN BUSINESS OPPORTUNITIES

Purpose

The terms and conditions that follow are aimed at establishing a preferred position for northern businesses in both the Yukon and the Northwest Territories. They require Foothills to encourage the development of viable new business ventures in the North, including those by native enterprises. They also place a requirement on Foothills to provide information on the possible disruption of supply normally available as a result of the participation of northern business in the project. This advance warning will assist government and the communities to plan for alternate means of supply goods and services if that should prove necessary.

Terms and Conditions

1. Foothills shall provide northern businesses adequate opportunity to tender on contracts for provision of goods and services related to the pipeline.
2. Foothills shall participate, as directed by the Designated Officer, with government in undertaking business opportunity

studies in the North to provide an inventory of existing business capabilities as they relate to the project, assess their ability to provide goods and services without disrupting normal community supplies, and to identify potential new business opportunities.

3. Foothills shall provide a conveniently located office to facilitate northern business participation related to the pipeline.
4. Foothills shall maintain an up-to-date northern bidders list with information on northern businesses capable of supplying pipeline requirements.
5. Foothills shall, whenever feasible, structure its requirements for goods and services consistent with the capabilities of northern businesses.
6. Foothills shall develop, to the satisfaction of the Designated Officer, tendering and awarding procedures which will ensure that local northern businesses capable of supplying goods or services receive preference.

7. In accepting tenders from northern businesses, Foothills shall require a statement from the successful bidder as to the effect contract performance will have on the services it normally provides to northern residents and file a copy of this statement with the Designated Officer.
  
8. To comply with the foregoing requirements, Foothills shall submit to the Designated Officer a Northern Business Opportunities Plan following consultation with local enterprises and native organizations. This Plan, when approved by the Designated Officer, shall be implemented by Foothills.
  
9. For purposes of this section, "northern business" means:  
Yukon business or a Northwest Territories business which:
  - (a) Is registered under the Business Licence Ordinance of the Yukon Territory or of the Northwest Territories;  
and
  
  - (b) Has its head and administrative offices located in the Yukon Territory or in the Northwest Territories; and

- (c) (i) Has more than 50 percent of its employees who are northern residents; or
  
- (ii) Has more than 50 percent of its total investment in fixed assets in the Yukon or Northwest Territories.

### Implementation

The Northern Pipeline Agency will play an active and continuing role so as to ensure that preference is extended to northern businesses in providing opportunities to supply goods and services to the pipeline project without detriment to local communities.

The Northern Business Opportunities Plan to be prepared by Foothills will be subject to the approval of the Designated Officer and its implementation carefully monitored by the Agency. Through access to the business opportunities studies that will be undertaken by the Company to prepare an inventory of the capacity of northern enterprises to provide goods and services to the pipeline without disruption of normal supplies, the Agency will have the information necessary to evaluate the Business Plan put forward by Foothills and to oversee its application.

The Agency will require Foothills to establish a list of northern firms qualified to bid on the project contracts. The Company will be obligated to establish mechanisms for advising listed firms about bidding practices that it intends to establish. It will also be required to establish procedures aimed at facilitating the ability of northern business to meet contract requirements by dividing them into manageable proportions, by providing prompt payment for goods supplied or services rendered, and by waiving bonding requirements where possible and practical.

In order to promote the realization of opportunities available to northern businesses, the Agency will encourage appropriate arrangements with unions that may be necessary to facilitate the participation of unorganized northern firms in supplying goods and services.

While the proposed terms and conditions establish a significant preference for potential northern business suppliers in an effort to maximize opportunities available to them to the greatest possible extent, the Agency will retain the right to require tenders to be called from firms outside the Territories if restricted northern bids are uncompetitive.

K. TRANSPORTATION

Purpose

The principle behind the terms and conditions that follow is that the transportation needs of the Company must be met in a way that will not reduce the availability of transportation services normally available to Yukon communities. In addition, the Company's use of the existing transportation infrastructure must not result in an unreasonable increase in the costs of those services to the general public.

Terms and Conditions

1. Foothills shall, as directed by the Designated Officer, participate with government in undertaking transportation studies to assess the quality and capacity of existing transportation facilities in the Yukon.
2. During the construction of the pipeline, Foothills shall ensure that its use of transportation facilities does not unduly disrupt transportation services in the Yukon.

3. Foothills shall bear the cost of additional transportation infrastructure required for pipeline construction and operation and, where possible, shall insure that such infrastructure is built, maintained and disposed of to provide maximum long-term benefit to communities along the pipeline.
  
4. Foothills shall submit to the Designated Officer a Transportation Plan to comply with the foregoing requirements. This Plan, when approved by the Designated Officer, shall be implemented by Foothills.

#### Implementation

The transportation studies should describe as accurately as possible the quality and capacity of existing transportation infrastructure and the existing commercial carriers. These studies should also provide, but not be limited to, estimates of normal maintenance costs of the local infrastructure, as well as estimates of anticipated increases in capacity of the local infrastructure and carriers throughout the construction period. These studies will also be expected to provide estimates of

"normal" growth in community traffic that would likely take place in the absence of the project, and the additional growth in traffic that will result from pipeline construction.

The Transportation Plan developed by Foothills should include the following elements:

- (a) Detailed information on the transport of personnel, equipment, materials and supplies by the Company, including:
- established road, rail and air services to be used;
  - frequency of use during construction;
  - new road and transportation infrastructure (including dedicated infrastructure) to be built by the Company;
  - maximum and average weight of material to be transported by category of material and by mode;
  - location and frequency of use of fixed wing and rotary wing aircraft under instrument flight rules and under visual flight rules;



- intermodal transfer points and storage areas; and
- precautions relating to movement of dangerous commodities;

- (b) An assessment, through consultation with appropriate government officials, of the degree to which existing public facilities are capable of handling the Company's requirements; an identification of new public facilities and those that will require expansion in order to satisfy the Company's requirements, all of the above taking into account any growth in community traffic induced by the pipeline (as identified in No. 1 above);
- (c) A set of procedures and steps the Company will take whenever it makes use of the local infrastructure or commercial carriers serving both the Company and northern residents; such procedures shall ensure that the Company engage in consultation with carriers as to their capacity and capability to provide the usual standards of service to community traffic;
- (d) Information on the Company plans for the movement of personnel by air mode, including steps and recommendations for protecting non-pipeline passenger traffic;

- (e) Steps and procedures the Company plans to implement to minimize the disruption of travel and traffic along Yukon highways, as well as to avoid displacing travellers in respect of accommodation and services; and
  
- (f) Detailed information identifying contingency routes and indicating their capacity, describing the way contingency routes will be used, and outlining provisions for emergency storage of dangerous materials, in the event that their transportation is delayed for any reason.

L. COMMUNICATIONS

Purpose

The objective of the proposals respecting communications is to ensure that the requirements of the pipeline do not adversely affect the quality of communication services normally available to Yukon residents. To the extent possible, the pipeline project should contribute to an improvement in existing services.

Terms and Conditions

1. Foothills shall ensure that communication services used for the pipeline do not adversely affect telecommunications services in the North; that they serve, wherever possible, as a vehicle for improvement of existing services.
  
2. Where possible, given clause 1, and taking into account economic and technical considerations, telecommunication facilities and services will be obtained through the appropriate common carrier, rather than by the establishment of private systems.

3. Foothills shall submit to the Designated Officer a Communications Plan to comply with the foregoing requirements. This plan, when approved by the Designated Officer, shall be implemented by Foothills.

#### Implementation

The Agency will review the Communications Plan submitted by the Company and, following their approval, maintain surveillance over their implementation in order to see that the objectives are met to the greatest extent possible and practical.

Where the difference in costs between the use of the common carrier and a private system are marginal, Foothills shall use the common carrier. In such cases, the Company may be required to pay the costs of accelerated expansion.

M. DISPOSAL OF SURPLUS MATERIAL

Purpose

The disposal of surplus material, on completion of construction of the pipeline, should be conducted to ensure that any benefits accrue to Yukon residents. The simplest means to achieve this is to offer Yukon residents the right of first refusal to acquire surplus material.

Terms and Conditions

1. Foothills shall establish, to the satisfaction of the Designated Officer, procedures whereby the Yukon Government, local governments, including Indian Band governments in the Yukon Territory and Yukon residents, will have the right of first refusal for surplus material in the Yukon.

Procedure for Implementation

The procedures required of Foothills by the Agency will include the publication of lists describing, in advance of disposition, the type and location of surplus materials, together with an indication of when these materials will become available. Where feasible, materials will be grouped in lots of a size suitable to Yukon purchasers. The implementation of these procedures for surplus disposal will be monitored by the Agency.

N. EQUITY/DIRECTORSHIPS

Purpose

Yukon residents should be offered the opportunity to acquire shares and obtain representation on the Board of Directors of Foothills Pipe Lines (South Yukon) Ltd.

Terms and Conditions

1. Foothills shall arrange to make its shares available on attractive terms to residents of the Yukon.
2. At least one-quarter of the Directors of Foothills shall be Permanent Yukon Residents. For this purpose, "Permanent Yukon Residents" shall be defined as in the section "Training and Hiring Preference for Northern Residents".

Procedures for Implementation

The Agency, through review of the share offering, will endeavour to ensure that Yukon residents have the opportunity to acquire shares in the Company on reasonable terms.

0. ELECTRIFICATION

Purpose

The purpose of these terms and conditions is to require Foothills to design its compressor stations along the main line of the system in the Yukon in such a way that the power source, which initially will be natural gas, can be converted to electricity at some time in the future if that should prove feasible and desirable. Such a conversion could be an important factor in facilitating the further development of electrical generating capacity in the Yukon by providing an assured base-load demand. This increase in generating capacity, in turn, could be an important factor in encouraging the subsequent expansion of mining or other industrial developments.

Terms and Conditions

1. In accordance with "The Natural Gas Throughput Agreement" reached May 4th, 1978, between Foothills Pipe Lines (Yukon) Ltd. and Her Majesty, Foothills shall:
  - (a) Design and construct or cause to be designed and constructed, the foundations, buildings and pipings of

all compressor stations on the main line in the Yukon Territory in such a manner as to make possible the use of electric motors in said compressor stations in case such use should become desirable at a future date, as determined by Her Majesty, and

- (b) Employ the use of electric motors in all compressor stations on the main line in the Yukon Territory to produce the necessary compression in the event that such use is requested by the Minister in writing and after the National Energy Board has determined that such use of electric motors is reasonably economical and does not, in the view of the National Energy Board, impose any undue financial burden on Foothills.

#### Implementation

The Agency will review the design and construction of compressor stations along the main line of the system in the Yukon to ensure that they are capable of being converted from gas to electrical power. Information may be requested from the Company by the Designated Officer on costs and other factors to assist the government authorities in reaching a judgment as to whether such conversion in the future is feasible and in the economic interests of the Yukon.



P. AVAILABILITY OF GAS TO YUKON COMMUNITIES

Purpose

Under the terms of the Canada - United States Agreement and the Northern Pipeline Act, Foothills is required to spend up to \$5 million to construct lateral lines and make the necessary arrangements for the supply of natural gas in the Yukon, to specified communities along the pipeline route and those that are more remote, which can be economically served and which apply to the appropriate authority for such facilities.

The terms and conditions that follow are designed to ensure that Yukon communities are provided, by Foothills, with the necessary information and assistance to evaluate the economic feasibility of acquiring access to gas supplies, to prepare the required applications to regulatory authorities, to organize and if necessary, operate the local distribution system. The terms and conditions also make it clear that the Company is required to make gas available on request, without financial obligation to itself, to industrial and commercial customers which are located along the pipeline route in the Yukon but outside specified communities.

Terms and Conditions

1. In addition to its obligations under paragraph 19, Schedule III of the Northern Pipeline Act, Foothills shall:
  - (a) At no cost to Foothills, design and construct laterals and make arrangements for the supply of gas to industrial and commercial uses along the pipeline route in the Yukon;
  - (b) Upon direction by the Designated Officer, assist in the establishment of community distribution systems on a full cost-recovery basis if this is necessary for a community to obtain natural gas service;
  - (c) Provide, in its final design, for valves and fittings at appropriate points along the pipeline to facilitate the future construction of distribution facilities to serve communities in the Yukon, which are specifically mentioned in paragraph 19 of Schedule III of the Northern Pipeline Act. With respect to remote industrial and commercial uses along the pipeline route but outside established communities, Foothills shall install, at the user's expense, the required valves and fittings to facilitate the future use of gas, providing remote industrial and commercial users make

such requests prior to approval of final pipeline design; and

- (d) As directed by the Designated Officer, Foothills shall provide assistance to communities along the pipeline route in determining the number of potential users, and more generally, in determining the economic feasibility of installing gas facilities. Foothills shall also provide information and assistance in the design of the required systems and in preparing the required applications. Furthermore, in those communities where gas is to be made available, Foothills shall provide as much information and assistance as is practicable to ensure that the conversion of equipment and systems to natural gas can occur without undue cost and inconvenience.

#### Implementation

The Agency, through the Designated Officer, will assess the final design of the pipeline to ensure that it meets the requirements set out above.

Where necessary, the Agency will direct Foothills to assist in the establishment of gas distribution systems. Local communities, should they desire gas facilities, will have to apply to the appropriate authorities for approval of the distribution system and will have to demonstrate that gas service is economically feasible.

Q. PROTECTION OF HIGHWAYS AND PUBLIC UTILITIES

Purpose

To avoid or minimize damage to highways or public utilities, which in turn could adversely affect local communities, the Company will be expected to inform and consult with the appropriate authorities in advance about its proposed activities.

Terms and Conditions

1. Foothills shall develop procedures to inform and consult with the Yukon Territorial Government, local communities, and other appropriate authorities, about proposed pipeline activities in order to avoid damage to highways and public utilities. Such consultation shall take place at least three (3) months in advance of construction activity relating to each spread.

Implementation

While the Company will be expected to comply with the established pipeline procedures of the National Energy Board relating to public utilities, these provisions will be reinforced by the requirement on the Company to inform and consult those concerned in advance of construction.

R. WORK CAMPS

Purpose

Temporary work camps provided by the Company for those involved in the construction of the pipeline must meet two basic requirements. They must provide a high standard of accommodation, food, services and facilities for workers engaged in the project and they must create as little disruption as possible for residents of local communities.

Terms and Conditions

1. Foothills shall consult with the Yukon Territorial Government, local communities and native organizations concerning the siting of work camps.
2. Foothills shall provide high standards of food, accommodation and amenities in all work camps which shall not be less than the requirements set out in the Canadian Pipeline Camp Standards, 1971.
3. Foothills shall provide reasonable and suitable accommodation and facilities for women employees at all work camps.

4. Foothills shall ensure a high degree of self-sufficiency for work camps.
5. Foothills shall provide to officials of governments involved in discharging duties related to the pipeline, the facilities and services required to carry out their work.
6. Foothills shall submit to the Designated Officer a Work Camp Plan designed to comply with the above requirements, which it shall implement following approval by the Designated Officer.

#### Implementation

In reviewing the Work Camp Plan to be submitted by Foothills and monitoring its subsequent implementation, the Agency will be particularly concerned about the following considerations:

- (a) Location of work camps;
- (b) A layout of the camp showing units, area, material, infrastructure, walkways, streets, etc;

- (c) Space and arrangements for necessary services to workers such as banking, postal, telephone, hair cutting and laundry;
- (d) Space and arrangements for a varied recreation program such as a library and writing room, TV and film room, and games room; and
- (e) The possibility of tavern facilities being operated by the Company under carefully controlled conditions where the appropriate government authority permits their establishment.

The Plan shall also set out Foothills procedures to:

- (a) Encourage workers to obtain accommodation in work camps, rather than bringing mobile accommodation to the worksite;
- (b) Control the use of Company vehicles off the pipeline;
- (c) Establish supervised, self-contained trailer camps at places stipulated by the Yukon Government for employees who live in mobile quarters, or provide such facilities on the

spread complex; in either case the space and services shall meet the standards of the "Trailer Park Regulations" - Yukon Commissioner Order 1962-76; and

- (d) Provide parking facilities for all Company vehicles, employee vehicles, and vehicles under hire or contract to the Company.

The work camps must meet or exceed the requirements set out in the applicable camp standards, e.g., Canadian Pipeline Camp Standards, 1971, and must comply with any applicable government laws and regulations.



S. HEALTH

Purpose

As a general rule, pipeline projects in the more built-up areas of southern Canada depend to a considerable extent on health facilities and services in urban centres to handle illness or injury of workers requiring more than routine treatment or emergency first aid.

In the Yukon, however, most communities, all relatively small, are spread out over a considerable distance, and the number having a reasonably broad range of medical services and facilities capable of handling a significantly increased demand is limited. Since there could be two or more construction spreads operating in the Yukon at the same time, each having five hundred or more workers in camps along the route, it is important that Foothills develop a Health Plan through which it can most effectively make use of existing facilities and services to the extent they are available and further supplement and reinforce them to the extent necessary by the provision of its own facilities and services.

Terms and Conditions

1. In constructing and operating work camps, Foothills shall ensure that public health standards, equal to or surpassing government standards are maintained.
2. Foothills shall ensure that proper facilities are provided for the care and treatment of ill and injured workers.
3. Foothills shall safeguard the various health authorities responsible for medical and hospital care from unnecessary costs by assuming the costs of medical and hospital treatment for workers not covered under appropriate government insurance plans. Foothills shall also assume costs of transporting workers to treatment facilities and shall assume the cost of temporary additions to existing hospitals where needed for the pipeline.
4. Foothills shall submit to the Designated Officer a Health Plan designed to comply with the above requirements, which it shall implement following approval by the Designated Officer.

Implementation

The Health Plan submitted by the Company for approval of the Designated Officer will be reviewed to determine the extent to which it deals with the following factors:

- (a) Safeguarding the domestic water supply of all Yukon communities adjacent to the pipeline from contamination by human excreta, petroleum products, radio-active substances, or any other substances harmful to health or likely to affect the quality of water;
- (b) Provision for hygienic handling of goods, hygienic cleaning of dishes and utensils, control of insects and vermin, adequate refrigeration facilities, and aseptic practices of cooks and all food handlers;
- (c) Adequacy of heat, light and ventilation in all living, working and eating quarters; and
- (d) Adequacy of fire prevention and availability of both smoke and heat detectors throughout camp living areas.

In respect to the emergency and active treatment of ill and injured workers, the Company will be required to ensure that:

- (a) All types of emergency care such as first aid, on-site resuscitation, and treatment of shock and hemorrhage can be provided without delay as near the injury site as is practicable, and emergency care given on the pipeline proper shall be the complete responsibility of Foothills through coordination and integration between the Company and existing health resources;
  
- (b) All types of active treatment can be provided through the use of the most suitable resources. These will require quick and accurate diagnosis, appropriate communication technology, and an efficient ambulance system so that active treatment can be provided on or off construction sites.

The Plan should clearly set out the respective responsibilities for costs of Foothills and government services. In particular, Foothills will be expected to meet the costs of:

- (a) Medically required out-patient or in-patient hospital services and medical care provided to any pipeline worker who is not insured for these services in any province or territory of Canada, who does not have a private hospital and medical insurance plan acceptable to the Yukon government, or who is not covered for these services by Workmen's Compensation;
  
- (b) Medically required out-patient or in-patient hospital services and medical care provided to any pipeline worker who has general hospital and medical coverage in a territory or province of Canada or has general coverage under a private plan, but either does not have coverage for the service required or there is a financial limitation under the coverage for the service required. This would apply also if he is not covered for the service by Workmen's Compensation or there is a financial limitation under its coverage;
  
- (c) Transporting workers requiring any form of treatment not available at camps to the appropriate treatment resource, and upon termination of treatment returning workers to work location, to point of hire, or to home residence; and

- (d) Providing temporary additions to existing hospitals where the present facility is inadequate, or auxiliary hospitals where the Plan requires a hospital facility and no such facility exists, and negotiating with the appropriate health authorities concerning the operational cost of either the addition, or the auxiliary, to the satisfaction of the Designated Officer.

Other features of the Plan should include:

- (a) Availability of qualified staff - including first-aid attendants, para-medics or equivalent, nurses and nurse practitioners, and physicians;
- (b) Establishment of the level of treatment services each camp or combination of camps will be capable of providing according to population served and distance from an active treatment hospital and adequate physician resources;
- (c) Provision of the necessary communication technology for on-site resuscitation and treatment of shock, pain, and hemorrhage pending and during evacuation under direct or remote medical supervision consistent with the severity of the illness or injury;

- (d) Screening of patients for evacuation, coordinating admissions in collaboration with local and regional health care resource authorities, (both as to facilities and professional services) and providing for ambulance evacuation by road or air to the appropriate resource; and
  
- (e) Establishment of appropriate routines and procedures at all levels of care and treatment including:
  - (i) reporting of accidents, injuries and illnesses and provisions of records as may be required;
  
  - (ii) the security and proper use of narcotics and controlled drugs; and
  
  - (iii) adherence to stringent precautions and techniques concerning isolation of patients with highly contagious diseases.

In operating its Health Plan, Foothills will be expected to:

- (a) Ensure that their requirements will not disrupt services to Yukon residents, and that the operation of the Plan shall,

where possible, serve as a vehicle for the improvement of existing services;

- (b) Utilize effectively existing health and safety facilities and services in the Yukon by avoiding duplicating facilities or services, or evacuating patients to health resources in the provinces while Yukon resources are under-utilized;
- (c) Operate all its industrial radiography using radio-active isotope equipment in conformity with the appropriate legislation and regulations; and
- (d) Store, use or dispose of materials or substances harmful to humans in compliance with the pertinent legislation and regulations.



T. SECURITY

Purpose

Foothills will be required to institute appropriate measures to maintain proper security on the construction site, in work camps and around storage and stockpile areas. In addition, it will also be expected to cooperate closely with local police in facilitating law enforcement.

Terms and Conditions

1. Foothills, in consultation with appropriate governments and policing authorities shall:
  - (a) Maintain proper security on the pipeline by equipping, deploying and supervising a sufficient number of trained personnel to enforce Company rules and regulations;
  - (b) Provide for adequate physical security measures for buildings and equipment, in and around campsites, stockpiles or such other places, the design of which

is to deter criminal offences. Such measures may include:

- (i) fencing of recognized durability and construction;
  - (ii) lighting systems;
  - (iii) alarms, particularly on unguarded facilities;
  - (iv) locks and other securing devices; and
- (c) Provide, at reasonable cost, all goods and services to the Local Policing Authority as may be required for its law enforcement duties, including:
- (i) transportation, beyond the means of the Local Policing Authority, to remote or isolated locations;
  - (ii) accommodation where necessary, including accommodation for police personnel and prisoners, office space appropriate to the circumstances and storage facilities for police supplies and equipment;

(iii) such access and use of communications equipment and facilities as the Local Policing Authority may require; and

(iv) all other such goods and services as may be necessary for the maintenance of reasonable living standards, having regard to local conditions, including food, utilities and vehicle and equipment repairs and service.

2. For the purpose of promoting effective law enforcement on the pipeline, Foothills, in consultation with the Territorial Policing Authority, shall:

(a) Provide the Local Policing Authority with immediate access to:

(i) the pipeline;

(ii) its employees; and

(iii) employee lists.

(b) Establish:

- (i) such inventory controls and identification methods as would facilitate the recovery of lost or stolen equipment and supplies (e.g. Operation Provident);
  - (ii) a badge identification system governing access to the pipeline;
  - (iii) company rules and regulations prohibiting access to the pipeline by anyone not properly identified by badge; and
  - (iv) an official contact person.
- (c) Provide such information and data as is required by Territorial Policing Authority to establish:
- (i) a system of reporting such matters as may be required;
  - (ii) guidelines governing the nature and extent of policing on the pipeline; and
  - (iii) guidelines providing a clear working arrangement

between the security force and the Local Policing Authority.

3. Foothills shall prohibit the possession by its employees of firearms and game hunting weapons on the pipeline, vehicles and aircraft, except under such conditions as the Local Policing Authority or game officer may prescribe.
4. For the purpose of these terms and conditions:
  - (a) Territorial Policing Authority means the Commanding Officer of the Royal Canadian Mounted Police or his delegate acting under the Territorial Policing Agreement; and
  - (b) Local Policing Authority means the Member in Charge of the Royal Canadian Mounted Police Detachment or his delegate.

#### Implementation

While the Agency will retain the authority for the enforcement of compliance with these terms and conditions relating to security, it will rely on the Territorial Policing Authority to maintain surveillance with respect to their implementation.

U. HOUSING

Purpose

It is necessary for the Company to undertake careful planning to ensure that housing for its permanent employees and temporary employees living outside work camps in the Yukon can be provided with a minimum of disruption to the housing market in the Territory. Such plans should be developed in cooperation with the Yukon Government and the community concerned and in accordance with their requirements.

During the construction stage it is likely that the major demand for housing to accommodate Foothills personnel will be in Whitehorse, which is the headquarters of the Company undertaking the project in the Territory. It will be particularly important, therefore, that the Company develops a housing plan designed to avoid housing shortages and rising costs.

Terms and Conditions

1. Foothills shall, in meeting its housing requirements, minimize local housing disruptions and fluctuations in the

cost of housing and, where possible, insure Foothills' housing improves the standard of housing in the community.

2. Foothills shall not discriminate between employees who are local residents and employees from outside the Territory when providing housing benefits.
3. Foothills shall submit to the Designated Officer a Housing Plan, following consultation with the Yukon Territorial Government, to comply with the foregoing requirements. This Plan, when approved by the Designated Officer, shall be implemented by Foothills.

#### Implementation

The Agency will require the following elements to be included in the Housing Plan to be prepared by the Company:

- (a) An analysis of the housing stock in each community where there is likely to be a pipeline induced demand for housing;
- (b) Projected amount and location of Company housing requirements;

- (c) Kind and quality of this housing requirement, considering local circumstances;
- (d) Type of tenancy;
- (e) Method of procurement and financing; and
- (f) The long-term management plan for Foothills housing.

The Plan should also provide for Foothills to:

- (a) Prepay the cost of serviced land for the required Company-owned temporary or permanent housing;
- (b) Maintain Company-owned housing in good order;
- (c) To make housing no longer required by its employees available for rent or sale in an orderly fashion so as to minimize any adverse impact on the real estate market;
- (d) Give Yukon residents the right of first refusal at fair market value on Company housing sold as surplus to Company needs; and



- (e) Remove or dispose of temporary Foothills' housing in accordance with the direction of the appropriate Yukon Government and/or local government authority.

In the development of the Housing Plan, Foothills should consult closely with the Yukon Territorial Government and local governments to ensure that their Plan is integrated with community planning. Consultations should also be held with Central Mortgage and Housing Corporation if assistance under the National Housing Act should be sought.

V. SURVEILLANCE, INSPECTION AND MONITORING

Purpose

Foothills will be required to establish its own internal monitoring procedures to ensure that the socio-economic terms and conditions are being met both by the Company and its contractors and sub-contractors. In addition, the Company will be obliged to provide the Agency with access to a wide range of information to assist the Agency in fulfilling its responsibility of overseeing compliance with these terms and conditions.

Terms and Conditions

1. Foothills shall give the Agency access to such books, tapes, financial statements or other records on activities pertaining to the Yukon as may be required, from time to time, to determine compliance with these terms and conditions.
2. Foothills shall report to the Agency, from time to time, on compliance with these terms and conditions.
3. Foothills shall file with the Agency any collective agreements entered into by or on behalf of its contractors which

relate to construction of the pipeline and collective agreements entered into on its own behalf which relate to the operation and maintenance of the pipeline.

4. Foothills, as directed by the Designated Officer, shall undertake special studies of the socio-economic impact of the pipeline if they are required as a result of particular circumstances.
  
5. Foothills shall report to the Designated Officer from time to time to demonstrate how its internal organization, allocation of resources and systems and procedures, are equipped to inspect, on a continuing basis, the effectiveness of its measures to meet the objectives of the socio-economic terms and conditions, at a level of commitment commensurate with technical and environmental terms and conditions.

#### Implementation

The Agency will employ staff to inspect the records of Foothills and conduct on-site surveillance of Company procedures and activities. The Agency may, in special circumstances, contract with appropriate Government agencies to conduct surveillance on its behalf.

W. COMPANY LIABILITY TO THE CROWN

Purpose

These terms and conditions deal with the liability of Foothills to the Crown for damages caused by the pipeline.

Terms and Conditions

1. Foothills will at all times indemnify and keep Her Majesty indemnified against all claims, demands, actions, suits or other legal proceedings by whomsoever made or brought against Her Majesty by reason of or arising out of:
  - (a) The construction, maintenance or operation of the pipeline whether over the lands of Her Majesty or elsewhere;
  - (b) The escape, ignition or explosion, from whatever cause whatsoever of gas or related hydrocarbons from or in the said pipeline on the lands of Her Majesty;
  - (c) Any act or omission on the part of Foothills, its officers, servants, agents or employees in respect of or in relation to the pipeline on the lands of Her Majesty, including the construction, maintenance or

operation of the same; or

(d) Any act or omission on the part of any officer, servant, agent or employee of Her Majesty in respect of or in relation to the pipeline on the lands of Her Majesty, notwithstanding that such act or omission may give rise in law to an action in negligence or for other tortious liability.

2. Foothills will at all times hereafter pay to Her Majesty the amount of any loss or damages which may be suffered or sustained by Her Majesty by reason of or arising out of the matters set forth in subparagraphs a) to d) inclusive of Clause 1.
3. Her Majesty will not be liable to Foothills for any loss or damages which may be suffered or sustained by Foothills by reason of or arising out of the matters set forth in subparagraph d) of Clause 1.
4. Her Majesty will not be liable for damages caused by vandalism or interference to Foothill's improvements and equipment.

#### Implementation

The foregoing terms and conditions do not give rise to any particular responsibilities on the part of the Agency.

X. COMPENSATION FOR DAMAGE TO PROPERTY

Purpose

The purpose of the terms and conditions that follow is to place responsibility on Foothills to pay compensation for damages to property caused directly or indirectly by activities related to the construction, operation and maintenance of the pipeline. In addition, the terms and conditions provide for the establishment of an expeditious arbitration system as an alternative to litigation for the settlement of any outstanding claim against the Company.

Terms and Conditions

1. If, in the course of construction, operation or maintenance of the pipeline, damages result to the property or facilities belonging to others, arising out of the act or omission of Foothills or its officers, agents, employees, or subcontractors, Foothills shall:
  - (a) immediately take action to prevent further damages;

(b) immediately inform the owner of the nature of damage;  
and

(c) arrange for the repair of such damage or replacement  
of the damaged facility as soon as possible.

2. Foothills shall provide to the Designated Officer, in a manner determined by him, information regarding all compensation made to any person for damage or loss resulting from the construction, maintenance or operation of the pipeline.
3. Foothills shall be liable for damages to property directly or indirectly caused by it in connection with or resulting from its activities in the construction, maintenance or operation of the pipeline.
4. Should Foothills and a claimant fail to agree on compensation for damages for which the claimant alleges Foothills is responsible, the claimant may file notice with the Designated Officer at the office of the Agency nearest his residence in the Yukon Territory and Foothills of his desire to have his claims heard by arbitration, in a manner and form to be determined by the Designated Officer.

5. Where notice has been given that the claimant has requested a decision by arbitration, then such claim shall be heard by a single arbitrator. Foothills and the claimant shall jointly select an arbitrator, failing which the Designated Officer shall select an arbitrator from a list of arbitrators which he, from time to time, shall establish.
  
6. The procedure for the Hearing shall be as follows:
  - (a) hearings shall commence within thirty (30) days after the appointment of the arbitrator;
  
  - (b) the arbitrator shall endeavour to hold the hearings in the community as close to the claimant's residence as practical; and
  
  - (c) A written decision shall be delivered to the Designated Officer by the arbitrator within thirty (30) days of the termination of the hearing.
  
7. The decision of the arbitrator shall be implemented within thirty (30) days after the written decision has been received. The Designated Officer may amend the time within which the decision shall be implemented.



8. The Agency shall pay from its appropriation the costs, as approved by the Designated Officer, of the arbitration proceedings and the Designated Officer may, by order, establish a tariff of costs for such proceedings.
  
9. Where anything is required to be done by a person within a time fixed by or under this part and it cannot be or is not done within that time, the Designated Officer may, where he is satisfied that the delay was bona fide and that it would not prejudice any other person to allow an extension of the time for doing that thing, extend the time or specify a later date on or before which the thing may be validly done by the person.
  
10. Foothills shall submit, for approval of the Designated Officer, a Compensation Plan which outlines the policies and procedures Foothills will follow in providing compensation for damages. This Plan, when approved by the Designated Officer, shall be implemented by Foothills.

#### Implementation

In addition to monitoring the handling of compensation claims, the Designated Officer will have the power to issue

orders to prevent repetition of the damage in future or to order repairs to be undertaken.

The arbitration procedure proposed as an alternative to litigation would be binding only on Foothills. Any person or group suffering damages would retain the right to take their claim before the courts if they were unsatisfied with the ruling of the arbitrator. The Company would have recourse to the courts, however, on the grounds that the arbitrator acted unfairly or beyond his or her jurisdiction.

Under the terms and conditions, the claimant would have the right to elect arbitration. In the event the claimant and the Company were unable to agree on an arbitrator, one could be named by the Designated Officer. The hearings would have to be held within a limited time and as near to the claimant's residence as possible.

The costs of the arbitration proceedings would be assumed by the Agency. Related to this provision is the need for governments to consider the possibility of providing assistance to claimants, where appropriate, in preparing necessary documentation for submission of a claim to an arbitrator or in securing legal aid in the event that a claim goes before the courts.