

Bull Arm Site Corporation Board Activity Plan



For the Period
April 1, 2008 – March 31, 2011



Message from the Chairperson



The Bull Arm Site has been a strong presence in the East Coast Canada oil and gas industry since its construction and will continue to be a major element of the industry's fabrication and construction infrastructure.

The Bull Arm Site Corporation was incorporated by the Province of Newfoundland and Labrador in 1995 under the Corporation's Act. Its affairs are governed by a Board of Directors appointed by the Lieutenant-Governor in Council. The Board is responsible for carrying out the duties and responsibilities required for the general operations of the Bull Arm Fabrication Site.

Reporting directly to the Minister of Natural Resources, the Board is comprised of six persons with diverse backgrounds and experiences. Their endeavours are supported by an administrative staff of three who operate primarily from the Natural Resources Building, Elizabeth Avenue, St. John's, Newfoundland and Labrador.

Under the *Transparency and Accountability Act*, the Bull Arm Site Corporation is defined as a category 3 entity and as such is required to submit a three year activity plan to the Minister of Natural Resources to be tabled in the House of Assembly. The activity plan provides an overview of the key objectives to be accomplished during this three year period. The Board considered the strategic directions of the Minister of Natural Resources during the development of its activity plan.

The entire Bull Arm Site Corporation Board is accountable for the preparation and achievement of the objectives outlined in the plan and on their behalf, I am pleased to present a three year plan for the period April 1, 2008 to March 31, 2011.

Sincerely,

Gary Gorman, Ph.D.
Interim Chairperson

Table of Contents

- 1. Overview 1
- 2. Mandate 4
- 3. Lines of Business 5
- 4. Values and Principles 6
- 5. Primary Clients and Other Beneficiaries 7
- 6. Vision 8
- 7. Mission Statement 9
- 8. Objectives 10
- 9. Appendix A: Strategic Directions 12
- 10. Appendix B: Board Mandate 13

1. Overview

The Bull Arm Site is a world-class fabrication facility on the west coast of Trinity Bay. The Site was developed in 1990 to meet the rigorous demands of the offshore petroleum industry. The Site is strategically located to take advantage of the North American Free Trade Agreement, and is closer to Europe than any other part of North America.



Drydock Construction and Fabrication Site



Topsides Fabrication and Assembly Area

The Bull Arm Site contains three major areas: the Drydock Construction and Fabrication Site; the Topsides Fabrication and Assembly Area; and the Back Cove Industrial Area and Deepwater Site. The Site represents a competitive and strategic advantage to companies involved in heavy industrial activities.



Back Cove Industrial Area and Deepwater Site

Board of Directors

The Corporation's Board of Directors consists of a Chairperson, a Chief Operating Officer and four other members representing various experiences and industry/business backgrounds. Current Board representation is as follows:

<p>Dr. Gary Gorman Interim Chairperson St. John's Appointed for a 2 year term October, 2006 to October, 2008</p>	<p>Mr. Michael Mulrooney Director Come by Chance Appointed for a 2 year term October, 2006 to October, 2008</p>
<p>Mr. Pierre Tobin Director and Chief Operating Officer St. John's</p>	<p>Mr. Fred Drover Director St. John's Appointed for a 2 year term October, 2006 to October, 2008</p>
<p>Mr. Jim Keating Director St. John's Appointed for a 2 year term October, 2006 to October, 2008</p>	<p>Mr. Bill Fanning Director St. John's Appointed for a 2 year term October, 2006 to October, 2008</p>

The Board is supported by the following three employees, two located in the Avalon region and one located at the Bull Arm Fabrication Site:

<p>Ms. Marilyn Bursey Administrative Assistant St. John's</p>	<p>Mr. Kevin Greene Site Manager Bull Arm Site</p>
<p>Ms. Pamela Benson Development Officer St. John's</p>	

Budget

The Bull Arm Site Corporation's budget for the fiscal year ending March 31, 2009 is \$3,885,000. This budget is included under the Royalties and Benefits division of the Department of Natural Resources (source: Estimates 2008-2009). This represents a significant increase over the previous fiscal year's budget of \$1,135,000. This increase is reflective of the fact that there are a number of major projects on the horizon in the province that will potentially utilize the Bull Arm Site for major fabrication activities. These include the proposed second refinery, Hebron, the Voisey's Bay processing plant for Long Harbour, White Rose expansion projects and the Lower Churchill. These projects will commence as soon as mid 2008 and extend for several years beyond that. Thus, in addition to the regular annual operating grant of \$1,135,000, for the 2008-09 fiscal year, Government invested an extra \$750,000 for site maintenance and \$2,000,000 to provide a new management structure in order to assess the optimal use for the Site as well as manage the Site in the province's best interests during major project execution.

How to Reach Us

For additional information about the Bull Arm Site Corporation, please contact:

Bull Arm Site Corporation P.O. Box 8700, 6 th Floor Natural Resources Building, 50 Elizabeth Avenue St. John's, NL A1B 4J6	Tel: (709) 729-0114 Fax: (709) 729-1699 Email: bullarm@gov.nl.ca
---	---

2. Mandate

The Bull Arm Site Corporation Board is responsible for the general operations and policy development for the Bull Arm Fabrication Site. The Board acts as a liaison between corporate administration, external proponents and executive of the Department of Natural Resources.

The mandate of the Board is:

To *optimize* the effective utilization rate of the Bull Arm Fabrication Site for the *maximum economic benefit* of the province of Newfoundland and Labrador.

Please see appendix 'B' for additional information.

3. Lines of Business

The Bull Arm Site Corporation Board has three main lines of business:

1. Operations and Maintenance

The Board oversees operation of the Bull Arm Fabrication Site regarding general maintenance and upkeep, site improvements, safety assurance and readiness for clients wishing to utilize the Site.

2. Marketing and Promotions

The Board guides the overall marketing and promotion of the Site including requests for expressions of interest, advertising, meetings with potential proponents and attendance at trade shows and conferences.

3. Assessment of Proposals and Monitoring of Leases

The Board analyzes all proposals submitted for site utilization opportunities. Once the proposal is determined to be a viable project within the guiding principles of the Board, the Board negotiates an agreement with the proponent. The Board also monitors compliance with the terms and conditions of the lease agreement.

4. Values and Principles

The Bull Arm Site Corporation Board values a working environment of mutual respect, accountability and fiscal responsibility. In exercising its mandate, the Board will be guided by the following principles.

General Principle	Action Statements
Flexibility	The Board maintains flexibility by considering efficient site agreements limited to the portions of the Site necessary for a project and for the amount of time necessary for project completion and remediation.
Non-exclusivity	The Board ensures that the Site is available to all interested companies in the performance of confirmed work commitments. The Board will encourage non-exclusive arrangements in an effort to fully maximize site utilization during intermediate scale projects.
Fairness	Every effort is made by the Board to maintain consistent terms and conditions for all potential users, particularly where multiple parties are permitted to identify the Site in a competitive process for the same work/project.
Transparency	The Board will operate in an open manner such that any information respecting the fiscal arrangements and availability of the Site will be readily available to all potential contractors and clients.

5. Primary Clients and Other Beneficiaries

The Bull Arm Site Corporation Board identifies its primary clients as those individuals, groups, or organizations who are the principal users of the Board's lines of business, and include the following:

- ❖ Major resource based companies (energy, mining)
- ❖ Contractors and subcontractors providing services to these companies
- ❖ Contractors with operations independent of these

The Bull Arm Site is a major industrial fabrication facility which has contributed significantly to the province's fabrication capacity and as a result has provided a significant benefit to the people of the province and remains a particular interest to the municipalities adjacent to the Site.

6. Vision

The vision of Bull Arm Site Corporation Board is of a fully utilized, internationally competitive facility that operates to the highest standards of safety and service quality, for the maximum benefit (of our clients and) of the people of Newfoundland and Labrador.

In order to support the attainment of this vision the Corporation maintains the following policies.

Potential Uses	The priority of the Board will be to pursue options for industrial fabrication, in keeping with the Site's original design intent. Other uses for the Site will be considered only where they would not conflict with potential usage for industrial fabrication, and where the Board feels such usage may be appropriate.
Tangible Work	The Board will only negotiate binding agreements for access to the Site with parties having confirmed work commitments. The Board will consult with potential tenants engaging in bidding, budgeting or other activities, but leases will not be negotiated without confirmed work commitments.
Maximization of Usage	The Board seeks to maximize utilization of the Bull Arm Site and thereby the direct and ancillary benefits to the Province by targeting large scale energy projects.

7. Mission Statement

The mission statement is the priority focus area of the Board over the next planning cycle. It represents the key longer term result that the Minister and the Board will work towards to achieve the benefits maximization component of government's strategic direction. The statement also identifies the measures and indicators that will assist the Board and the public in monitoring and evaluating success.

With the number of major projects on the horizon, including the proposed second refinery, Hebron, the Voisey's Bay processing plant for Long Harbour, White Rose expansion projects and the Lower Churchill, there is significant opportunity for the Bull Arm Site to continue to contribute to the province's fabrication capacity.

Mission

By 2011 the Board will have enhanced processes to optimize the utilization of the Site in the oil and gas energy sector.

Measure: Enhanced processes to optimize utilization of Site

Indicators:

- **Optimized utilization of the Site ensured through:**
 - **Increased assessment and planning activities for site utilization**
 - **Adjusted marketing activities to increase the effectiveness of promotional campaigns**
 - **Increased repairs and maintenance to site infrastructure**

8. Objectives

In consideration of the strategic directions of the Minister of Natural Resources, the mandate and financial resources of the Corporation, the following areas have been identified as the key priorities of the Board for the three year period April 1, 2008 to March 31, 2011. The objectives below apply to each year covered by this plan and will be reported on in relevant annual reports.

Issue 1: Optimized Site Utilization

The Bull Arm Site is one of the province's greatest assets which contributed to our significant industrial fabrication capacity. With major resource projects on the horizon, the Board is focused on participating in initiatives to ensure optimized utilization of the Site by these major proponents over the next five years.

Objective	
The Board will have participated in an ongoing initiative with the Energy Corporation to assess the opportunities for potential utilization of the Site by major industrial project proponents.	
Measure	Ongoing participation in assessment of opportunities for potential site utilization
Indicators	Analyzed specific requirements, infrastructure, timing and services of upcoming major resource development projects
	Recommended strategies to ensure that site utilization is optimized including the identification of capacity constraints

Issue 2: Marketing and Promotion

In order to attract tenants and activity to the Site, the Corporation continues to conduct marketing and promotion activities including advertising in trade magazines and other relevant publications. Staff and executive will attend trade shows and conferences, as well as meet personally with potential clients to discuss opportunities for utilization. This will increase the awareness of the Site as a viable alternative to competing facilities.

Objective	
The Board will have assessed its marketing and promotions activities, and will have adjusted the levels of these activities, as appropriate.	
Measures	Assessed marketing and promotion activities and adjusted marketing and promotion activities.
Indicators	Developed a revised advertising plan
	Updated multi media presentation (DVD, brochures)
	Participated in strategically selected trade shows
	Prepared an annual report of its activities for tabling in the House of Assembly
	Updated the Corporation's website

Issue 3: Maintenance and Repair of Site Infrastructure

Large industrial facilities require ongoing maintenance and repair to ensure the infrastructure meets acceptable safety standards and is always in a state of readiness for occupancy.

Objective The Board will ensure that the Site infrastructure is maintained and operated at an acceptable safety standard level.	
Measure	Maintained acceptable safety standards
Indicators	Completed a safety report on site infrastructure
	Identified and completed priority repairs and maintenance initiatives
	Developed a disposal plan in consultation with GPA for the removal of unwanted mobile equipment, cranes and temporary infrastructure
	Monitored processes for inspection activities of site infrastructure including facilities and equipment to ensure adequate inspections are occurring and identified deficiencies are addressed

9. Appendix A: Strategic Directions

Strategic directions are the articulation of desired physical, social or economic outcomes and normally require action by more than one government entity. These directions are generally communicated by government through platform documents, Throne and Budget Speeches, policy documents and other communiqués. The *Transparency and Accountability Act* requires departments and public bodies to take into account these strategic directions in the preparation of their performance-based plans. This action will facilitate the integration of planning practices across government and will ensure that all entities are moving forward on key commitments.

The following excerpt from the Department of Natural Resources Strategic Plan 2008-11 is relevant to the Bull Arm Site Corporation in the development of its activity plan. For a full list of the Strategic Directions of the Minister of Natural Resources, please contact the Department.

1. Title: Natural Resource Development and Diversification

Outcome: Increased natural resource development and diversification

Focus Areas	Being addressed by other entities reporting to the Minister	This direction is addressed by the Bull Arm Site Corporation in the Activity Plan
<ul style="list-style-type: none"> • Oil, Gas and Mineral Benefits Maximization • Hydroelectric Development • Alternative Energy Development • Efficient and Effective Management • Research and Development 	√ √ √ √ √	√

10. Appendix B: Board Mandate

Current Mandate

Powers and Duties of Board:

The Bull Arm Site Corporation Board may, under the control and direction of the Minister, or concurrently with the Minister;

- i. purchase, lease or otherwise acquire in the name of the Crown, and sell, lease or otherwise dispose of on behalf of the Crown property, real or personal of every nature and kind, or interest in property, which is considered necessary, convenient or advisable for or incidental to the exercise of the powers, functions and duties,
- ii. enter into an agreement with the governments, departments, agencies, Boards, councils or bodies,
- iii. undertake, promote or recommend measures for the development, control and direction of the utilization of the Site,
- iv. prepare and publish statistics, reports, records, bulletins, pamphlets, circulars and other information as appropriate in relation to the operations of the Site.