

Edmonton Examiner Column #3 – June, 2010

Dear Constituents:

Alberta's metal fabrication industry has been hammered hard by the recession. Sales of fabricated metals have dropped by 27 percent between 2008 and 2009 and exports are at their lowest level in five years.

Despite the excess manufacturing capacity in Alberta's metal fabrication industry, last October Imperial Oil/ExxonMobil Canada awarded a \$250 million (US) contract to a South Korean metal fabrication firm to produce 200 large modules to be used for the Kearl Lake Oil Sands Project. These wide, large, and heavy modules will be shipped from South Korea to Oregon. Then they will be transported by river barge up to Lewiston, Idaho and from there they will be loaded on trucks for the long, slow journey through Montana to Fort McMurray.

The **CEO of Sungjin Geotec**, the Korean company that will manufacture the modules, told a Korean news agency his company expects to receive future orders for additional modules from Imperial Oil/ExxonMobil Canada totaling \$1.5 *billion*. This means the company anticipates a further 1000 modules will be built in Korea and shipped to Canada in the future.

If the Legislature had not been prematurely suspended, I would ask the following questions to Premier Stelmach about his government's failure to stand up for Alberta's metal fabrication industry:

1. There are at least fifteen separate module manufacturing yards for various oil sands projects located in the Edmonton area. What is so special about the Kearl Lake modules that they could not be built in Alberta?
2. Why doesn't the government require metal fabrication jobs to be created in Alberta when it awards tax breaks and royalty concessions to oil sands developers?
3. Imperial Oil/ExxonMobil Canada is willing to contribute 40 million dollars for public infrastructure in Montana to facilitate moving these modules. Is Imperial Oil providing any funds to offset the stress placed on Alberta's roads and bridges from transporting these enormous modules to Fort McMurray?

Sincerely,


