

Agenda and Notes for Industry Breakfast meeting August 4th

Roundtable Introductions

Introductory comments:

- Thank you for joining me this morning.
- It is a real pleasure to get a chance to meet with you.
- After travelling all over BC and talking to people from all walks of life, I am well aware of the many challenges facing the forest sector.
- It is my goal and the goal of my government to work to ensure we have a diverse and healthy forest sector that is competitive on the global stage.
- I know that one of the immediate barriers to that goal is the softwood lumber dispute with the U.S.
- I know that each of you in this room has been impacted already by the softwood lumber dispute and I wanted to be able to talk to you in person about how I am engaging on this priority issue.
- I do want to stress that this briefing is confidential.

Review of Washington Trip:

- I made a commitment that I was going to go to Washington D.C. within thirty days of assuming the office of Premier to talk about softwood lumber and there we were in Washington on day 8.
- Prior to going to Washington I was able to speak with Minister Freeland, who represents Canada on trade issues with the U.S. and to meet in person with the Prime Minister as well.
- I was able to remind both of them of the significance of B.C.'s softwood lumber production within Canada and the need for

B.C.'s interests to be reflected both in an eventual agreement with the US and in the administration of that agreement within Canada. s.13

- Those interests include ensuring that market share is managed regionally and that B.C.'s regional share reflects a fair, long term view of the significance of the U.S. market to BC lumber exporters.

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- For my part, I was there to deliver some clear messages:
 - B.C. is willing to negotiate and supports the work of Minister Freeland and Secretary Ross to date
 - But, B.C. is of the view that it is a fair and competitive trader and that we expect that to be proven in lumber V just as it has been in every previous lumber case.

- So while we are interested in a long term deal that avoids further time and money wasted in duties and litigation we are only going to be able to support a deal that works for BC.
- All of which is to say that we will be working closely with Canada and all of you in the weeks ahead to make sure that we have done the best we can to achieve a fair deal but a deal that does not work for BC is not a deal worth accepting.

Responsibility for Softwood Lumber File:

- I also want to provide you with an update on who will be working on the softwood file at this critical time
- Minister Ralston is with me today^{s.13}
s.13 in his capacity as Minister of Jobs, Trade and Technology
- Minister Ralston brings a great deal of experience and intellect to the file and will work hard to defend BC's interests whether in negotiations or litigation
- He will be working closely with Minister Donaldson and his Ministry as it is critical to have that technical support and knowledge of the sector.

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Questions:

- Likely topics:
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- Government's support for exclusion of western red cedar and high value products from any settlement with the US
- Response to Wildfires, salvage opportunities and relief for companies that have lost timber supply

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- Support for remanufacturers, independents and the value added sector

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HOLDING MESSAGES

- We're taking our first steps to deliver a government that works for people, not just those at the top.
- I'm excited about what we have accomplished in just two weeks:
 - Premier travelled to Ottawa and Washington – to fight for BC jobs on softwood lumber
 - \$100 lift to income assistance and disability rates – to help people live in dignity
 - Action on BC's interior wildfires – supporting evacuees and emergency responders
 - A stand-alone Ministry for Mental Health and Addictions – to support those in need
- It's going to take time to fix the problems. But we're going to work hard every day to deliver:
 - Relief for families from high costs and fees
 - Better services, like education and health care
 - Good jobs and opportunity throughout B.C.
- In the weeks and months ahead, we will find solutions for the problems people face every day

- The wildfires in the BC Interior have
 - Forced tens of thousands of people out of their homes
 - Thousands more are fighting the fires

- We're thankful for
 - the people who opened their hearts and homes to those who were evacuated
 - volunteers, emergency response workers and firefighters working tirelessly to keep people safe

- When challenges happen – we come together to help each other
- Our government is ready to support people and communities in these difficult times
- Today, we are holding our first cabinet meeting
- The very first item on the agenda was an emergency briefing from officials on the wildfire situation
- We'll be going back in shortly to continue our meeting, but I'm here to provide an update

- A strong, coordinated response to the wildfire is our highest priority
- It's clear to me that we need to give additional support to the people and communities affected – and our emergency responders
- Starting today, we're taking the following steps:
- We're increasing the funds available to people and communities affected by wildfires
 - The outgoing government established a \$100 million fund earlier this month

- That includes \$600 per adult and \$300 per child in direct support for evacuees
- We're increasing it to

- I've also struck a cabinet task force
 - To lead a coordinated effort across government
 - to support people at this challenging time
 - and what more we might be able to do to help

That task force includes:

- The Minister of Forests Doug Donaldson, who is leading BC's fight against these wildfires
- The Minister of Public Safety Mike Farnworth, now responsible for Emergency Management
- Our Parliamentary Secretary for Emergency Preparedness, Jennifer Rice

- I have asked Ministers Donaldson and Farnworth and Parliamentary Secretary Rice to make this their top priority
- Tomorrow, they will travel to the Interior to visit evacuees and meet local officials
- As leaders we need to be there on the ground, meet with people, and see the areas affected, without getting in the way

- To the people affected by wildfires,
and the people you care about
 - BC stands with you
- Not just in the days ahead
- But every step of the way in the
difficult weeks and months ahead
- In the face of these challenges, British
Columbians stick together
- We'll get through this

July 31, 2017

Williams Lake – BC Wildfires

Questions and Answers

This is the second time you've come to the interior in as many weeks. How does travelling here help the wildfire situation?

- We are here to give our full support to
 - the tens of thousands evacuated
 - who don't know when they can go home
 - who might be afraid to go back
- That means seeing the devastation first-hand, and listening to people – hearing their stories
- We will get through this together
- And we're doing everything we can to help

Many wildfire evacuees are reporting that they still haven't gotten access to the \$600 support promised by the government. Why are they still waiting?

- Emergency response officials and the Red Cross are working very hard to ensure that evacuees are taken care of
- We will continue to work to ensure that those who have been affected by the wildfires are supported.

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Did your government coming to power sink the Petronas deal?

- Low global prices make new projects challenging.
- Petronas was clear that they aren't going ahead with Pacific Northwest LNG because of those market conditions.
- We are open to pursuing LNG in BC provided the projects meet our four conditions:
 - Projects that benefit British Columbia
 - respect Indigenous rights
 - employ local people
 - and meet our environmental goals.

The Prime Minister supports Kinder Morgan, how will your opposition impact your relationship?

- The Prime Minister and I share common ground on a number of issues and we will work together on those common areas.
- My priorities for today are the urgent issues affecting British Columbians, including wildfires, the softwood lumber agreement and taking action for families struggling with the opioid crisis.

But the Prime Minister has said that Kinder Morgan is the best interests of the country?

- My job as Premier is to represent B.C.'s interests.
- A sevenfold increase in bitumen tankers in the Vancouver harbour is not in the best interests of BC's economy or our environment.
- We will use all tools to defend BC's interests against the risk of tankers transporting dilbit in our coastal waters.

July 31, 2017

Williams Lake – BC Wildfires

Speech objectives:

- Talk about what you saw on the tour of Williams Lake
- Make sure evacuees know BC has their full support
- Thank emergency responders for keeping communities safe
- Tone: Passionate, caring, taking action, focused on people

Format:

- Single podium
- Premier will speak first, then the Prime Minister
- Media Q and A to follow

Audience:

- Local and pool media
- People affected by wildfires

Special mentions:

- Prime Minister Justin Trudeau
- Harjit Sajjan, Minister of National Defense
- Carla Qualtrough, Chair of Ad-Hoc Cabinet Committee on Federal Recovery Efforts for 2017 Wildfires
- Jody Wilson-Raybould, Minister of Justice

SPEAKING NOTES BEGIN NEXT PAGE

- Thanks everyone for being here
- I want to thank Prime Minister Trudeau and members of his cabinet for travelling to Williams Lake
 - And for their continued support for people affected by wildfires
- We've just taken a tour of the region by plane
- There are no words for the devastation

- Seeing those fires, right away our thoughts go to people:
 - who don't know when they can go home
 - who are afraid to go home, because the danger is still there
 - and the ones who have returned, only to find they've lost everything
- The uncertainty, the stress, is more than most of us could imagine
- To evacuees...
 - BC is with you
 - Canada is with you
 - every step of the way

- Today we also met with emergency responders
 - Canadian Armed Forces and RCMP
 - Working on the front lines
 - Day after day to keep people safe
- We learned about the important work they're doing
- It was also a chance to say thank you
 - British Columbians are grateful for your support
- The fire situation is changing very quickly

- As a government, we're continuing to do everything we can to help
 - Extended financial support to evacuees -- \$600 every 14 days
 - We're sharing as much information as we can about what's happening
 - Our cabinet task force has been reaching out to people and communities in BC's Interior
- And BC appreciates the federal government's ongoing support
 - Working together we will keep people and communities safe
- [over to PM Trudeau for comments]

**Trade and Softwood
Messages for Ministers
July 27, 2017**

Key Messages

Softwood Lumber

- We're fighting for a fair deal on softwood lumber, and the thousands of British Columbians whose livelihoods depend on it.
- Our priority is getting a deal that is
 - Good for BC workers
 - Good for our softwood industry
 - And good for our economy
- The Premier took that message directly to trade officials in Washington DC and Ottawa – his first week in office
- Working with our partners in the federal government, we've spoken with a strong and united voice on softwood lumber
- We'll continue the fight for a fair and lasting deal for BC

LNG/Petronas

- The Pacific NorthWest LNG project, as proposed in its current state, was uneconomical to move forward.
- The company was very clear: this was a decision they are making because of the economic challenges in the global energy marketplace.
- Petronas will remain in Canada, however, and continue their operations in the north-east B.C.

- We respect the company's decision and will now move on to support the prospects of British Columbia's natural gas sector to create good-paying jobs here in B.C.
- Our government is committed to working with the LNG industry to ensure we are competitive.
- As we told British Columbians, we are also committed to working with the LNG sector so that it:
 - guarantees jobs and training opportunities for British Columbians
 - the Province receives a fair rate of return for our resources
 - First Nations are meaningful partners
 - and that development protects our air, land and water, and lives up to our climate-change commitments.
- We're getting to work on an economy that works for everyone.

Q: ^{s.13}

What was actually achieved?

- We committed to stand up for B.C.'s interests and fight for BC jobs on Softwood Lumber, and that's exactly what we've done.
- In our first week as government, the premier met with Prime Minister Trudeau, and key trade officials in Washington DC. We're fighting for BC workers and making their voices heard in the softwood lumber dispute.
- We'll fight for a deal that's good for BC workers and our softwood industry.

Q: What was discussed at the meetings?

- The Premier has met key trade officials over the past two days in Washington, including:
 - Commerce Secretary Wilbur Ross
 - Congresswoman Susan DelBane

- The Premier has made it clear – in his words and his actions – we will fight for BC jobs and BC’s interests in the softwood lumber dispute.

Q: Are we close to a deal on softwood? Did the Premier play a role in that?

- I can’t speak to the state of negotiations.
- Our priority is a good deal for BC workers and our softwood industry.
- We will continue to stand up for BC’s interests on trade.

Q: Why did the Premier meet with Congresswoman DelBene? Is she supportive of your demands?

- Congresswoman DelBene is a strong voice on trade issues.
- She represents Washington State, our immediate neighbour and trading partner to the south.

Q: Why did the Premier meet with Leo Gerard? Didn’t he fund your campaign?

- Steelworkers have long advocated against the tariffs we’re fighting against.
- They’ve joined us in pushing for a good deal for BC jobs in the softwood dispute

Q: Did your government coming to power sink the Petronas deal?

- Low global prices make new projects challenging.
- Petronas was clear that they aren’t going ahead with Pacific Northwest LNG because of those market conditions.
- We are open to pursuing LNG in BC provided the projects meet our four conditions:
 - Projects that benefit British Columbia
 - respect Indigenous rights
 - employ local people
 - and meet our environmental goals

Ottawa Meetings July 25, 2017

Key Messages

- This morning, Prime Minister Trudeau and I met to talk about some urgent issues facing the people of B.C.:
 - B.C. Wildfires
 - Tens of thousands evacuated from their homes
 - Thousands more stepped forward
 - opened hearts and homes to evacuees
 - firefighters, emergency responders and volunteers
 - Very quickly the federal government stepped up to help
 - We appreciate that support
 - And ongoing coordinated efforts to fight the fires and keep people safe
 - Softwood
 - We also discussed the softwood lumber dispute
 - We commend the federal government's efforts to date
 - B.C. is ready to do its part to fight for Canadian interests
 - We're fighting for the thousands of British Columbians whose jobs depend on softwood and on trade
 - I'll be taking that message to trade officials in Washington DC tomorrow
 - Overdose crisis
 - We continue to experience an unprecedented number of overdose deaths
 - B.C. is the hardest-hit province in Canada
 - 935 people died in 2016
 - 640 people died as of May 31, 2017
 - We're on track to 1,400 overdose deaths by the end of the year
 - This is a public health emergency – we need to do everything we can to help people and families affected

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- We also discussed other priority areas including:
 - Child care
 - Affordable housing
 - Public infrastructure
- This was a positive and productive first meeting.
- When we come together, and work together, governments can make life better for people.
- We're committed to working collaboratively with the federal government to start fixing the problems families face every day.

QUESTIONS AND ANSWERS

British Columbians continue to die at an alarming rate because of fentanyl, will we see immediate progress on the overdose crisis?

- This is an unprecedented and urgent situation. BC is the hardest-hit province in Canada when it comes to overdose deaths.
- Prime Minister Trudeau and I discussed this, and I will be speaking with Health Minister Philpott about it as well.

Many wildfire evacuees are reporting that they still haven't gotten access to the \$600 support promised by the government. Why are they still waiting?

- Emergency response officials and the Red Cross are working very hard to ensure that evacuees are taken care of.
- We will continue to work to ensure that those who have been affected by the wildfires are made whole.

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What do you expect to achieve?

- I committed to travel to Washington DC to stand up for B.C.'s interests on Softwood Lumber, and I am delivering on that commitment.
- I will be meeting with the ambassador and senior public officials while I'm there.
- I am making softwood lumber a priority and it is important that our partners in Ottawa and Washington know that.

A report on ICBC was leaked last week suggesting major changes are needed to prevent massive increases to ICBC premiums – many of them very controversial such as photo radar and caps on damages. What is your plan?

- I have tasked my Attorney General to tackle this issue.
- He will make keeping ICBC rates affordable for people a key priority.

In the past haven't you supported photo-radar?

- Our priority is fixing the mess at ICBC and keeping rates affordable for people.
- We are not considering photo-radar or no-fault insurance.

The Prime Minister supports Kinder Morgan, how will your opposition impact your relationship?

- The Prime Minister and I share common ground on a number of issues and we will work together on those common areas.
- My priorities for today are the urgent issues affecting British Columbians, including wildfires, the softwood lumber agreement and taking action for families struggling with the opioid crisis.

But the Prime Minister has said that Kinder Morgan is the best interests of the country?

- My job as Premier is to represent B.C.'s interests.
- A sevenfold increase in bitumen tankers in the Vancouver harbour is not in the best interests of BC's economy or our environment.
- We will use all tools to defend BC's interests against the risk of tankers transporting dilbit in our coastal waters.

IF ASKED about Petronas or LNG:

- There are a number of LNG projects that have been proposed for BC.
- Any LNG project would have to meet our four conditions for moving forward.
- Projects need to benefit British Columbia, respect Indigenous rights, employ local people and meet our environmental goals.
- Any project that can meet those conditions will have our support.

- Low global LNG prices make the economics challenging for new projects.

Housing is a crisis in many communities in B.C. – yet you didn't raise it with the Prime Minister – why not?

- We need to work together with communities and the federal government solve our housing crisis
- Affordable housing was one of the issues the Prime Minister and I discussed today.
- We won't be able to fix it overnight. But we're committed to getting it done to help make life more affordable for people.

Will BC sign on to the federal child care funding agreement?

- Our governments agree that safe, affordable childcare is a high priority.
- It's important we get this right – for parents, for our children, and our economy.
- We're going to give families relief with a universal childcare program for BC.
- I'm open to working with the federal government to achieve that

PETRONAS – STATEMENT LINES

Topic: PETRONAS is announcing the Pacific NorthWest LNG project is cancelled.

- Earlier today, PETRONAS contacted our government and told us the Pacific NorthWest LNG facility is being canceled.
- They will remain in Canada, however, and continue their operations in the north-east B.C.
- The company was very clear: this was a decision they are making because of the economic challenges in the global energy marketplace.
- The Pacific NorthWest LNG project, as proposed in its current state, was uneconomical to move forward.
- We respect the company's decision and will now move on to support the prospects of British Columbia's natural gas sector to create good-paying jobs here in B.C.
- Our government is committed to working with the LNG industry to ensure we are competitive.
- As we told British Columbians, we are also committed to working with the LNG sector so that it:

- guarantees jobs and training opportunities for British Columbians
 - the Province receives a fair rate of return for our resources
 - First Nations are meaningful partners
 - and that development protects our air, land and water, and lives up to our climate-change commitments.
- Premier Horgan and the government are getting to work on an economy that works for everyone.

Why a HRC

We have a HRT but inadequate because it does not examine systemic racism or conduct no independent public body with a mandate to provide education, conduct public hearings, make special reports to the Legislature, deal with systemic discrimination, investigate complaints, or ensure that complainants receive proper legal representation at human rights hearings.

Only province without

The mandate of the Commission were: to investigate and mediate human rights complaints; to provide educational programs and information on human rights to British Colombians; to conduct research into the causes of inequality and identifying persistent patterns of inequality; to monitor societal trends and patterns relevant to achieving equality and reporting on those trends and patterns; and to put forward public interest in the administration of human rights.

The mandate of the tribunal was to adjudicate complaints of discrimination referred to it by the commission.

Read more at <http://thelinkpaper.ca/?p=61328#uprgxLu2VgQob1iU.99>

Process

First Steps

Outcome

We're committed to working with the Tsilhqot'in Nation in a respectful and collaborative way to support achievement of the joint reconciliation vision in the Accord.

We're aware of the concerns the Nation has with the Notices of Work issued to Taseko.

I understand there is an injunction application set to commence tomorrow morning ^{s.13}
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The company still needs a permit from the Ministry of Forests (not sure if they've applied yet) for clearing lands for the exploration. ^{s.13}

PETRONAS - Pacific NorthWest LNG update
Roll-out Plan
For July 25, 2017

Summary:

PETRONAS contacting British Columbia pre-announcement

- PETRONAS will contact British Columbia directly. The company is cancelling the Pacific NorthWest LNG project.
- Note: The Prime Minister of Canada and the Premier of British Columbia are scheduled to meet around this same time about other topics, but the LNG industry is likely to be discussed.

PETRONAS public announcement

- PETRONAS will issue a news release at 10:10am, detailing their decision publicly.

Post-announcement

- Government response will occur around 10:45 am. A statement from the provincial government has been crafted. Targeted media calls will occur.
- Natural Resources Canada will be first-contact for reaction from the Government of Canada. They are currently not issuing a statement. MP Jonathan Wilkinson will respond.

British Columbia Engagement Plan

- Executive staff with the Ministry of Energy, Mining and Petroleum Resources (EMPR) and the Ministry of Indigenous Relations and Reconciliation (IRR) will be contacting key stakeholders and First Nations. The contact list is further below.

Roll-Out:

Time	Activities & Details
7-7:30 am	Prime Minister of Canada and the Premier of British Columbia meeting.
7:30 am	Prime Minister of Canada and the Premier of British Columbia media availability.
8:30 - 9 am	PETRONAS executive contacts British Columbia. PETRONAS will detail their decision directly to Dave Nikolejsin and Don Wright, prior to a public announcement.
9 am	Dave Nikolejsin will contact David Haslam and relay details of what PETRONAS will announce. Key messages will be discussed. Note: PETRONAS executives will also be contacting Minister Carr at this time to relay details of what was communicated to British Columbia earlier in the day.
9:05 am	David Haslam will connect with the communications offices with the Government of Canada and confirm approach. Concurrently or shortly after, potential validators will be contacted to inquire about their availability.

10:10 am	PETRONAS public announcement. News about Pacific NorthWest LNG is generally uploaded at http://www.pacificnorthwestlng.com/media-center/
10:45 am	British Columbia responds to the news. Statement has been drafted. Targeted media calls will occur (see contact list). Media will be able to call-in and listen to the Minister speak to the news.
11:30 am	PETRONAS media availability via teleconference.
Mid-day	Provincial executives conduct calls with key stakeholders, including First Nations (see contact list below).
3 pm	Ministers will meet with Pacific NorthWest LNG executives. Participants from British Columbia <ul style="list-style-type: none"> Minister of Energy, Mines and Petroleum Resources Michelle Mungall Minister of Finance, Carole James Minister of Jobs, Trade and Technology, Bruce Ralston Participants from Pacific NorthWest LNG <ul style="list-style-type: none"> TBD

Stakeholder List:

Contact	Phone	Email	Responsible Staff
Chief John Helin, Lax Kw'alaams Band	(250) 625-3293	linda_admin@laxband.com johnhelin@laxband.com	IRR – Minister and DM
Chief Harold Leighton, Metlakatla First Nation	(250) 628-3234	hleighton@metlakatla.ca	IRR – Minister and DM
Chief Joe Bevan, Kitselas	(250) 635-5084	chiefbevan@kitselas.com	IRR – Minister and DM
Chief Don Roberts, Kitsumkalum	(250) 635-6177	droberts@kitsumkalum.bc.ca	IRR – Minister and DM
Chief Clifford White, Gitxaala	(250) 848-2214	cliff.white@gitxaala.com	IRR – Minister and DM
Chief Arnold Clifton, Gitga'at	(250) 841-2500	hbvc@gitgaat.ca	IRR – Minister and DM

Media List:

Contact	Phone	Email	Responsible Staff
Brent Jang , Globe and Mail	604-631-6650	bjang@globeandmail.com	EMPR - GCPE
Ian Bailey , Globe and Mail	o: 604-631-6652 c: s.22	ibailey@globeandmail.com	EMPR - GCPE
Claudia Cattaneo , Financial Post	403-585-8495, or s.22	ccattaneo@postmedia.com	EMPR - GCPE

Potential Validators:

Contact	Phone	Email	Responsible Staff
David Keane , President of the BC LNG Alliance	s.22	david.keane@bclnga.ca	
Ian Archer , Associate Director, North American Natural Gas Team	403-532-8175 / s.22		
Robert (Bob) Ineson, M.B.A. , Managing Director, North American Natural Gas	1-800-447-2273		
David Ledesma , Senior Research Fellow, Oxford Institute for Energy Studies	+44 (0)1883 724743	d.ledesma@south-court.com	
Travis Whalen , Energy analyst, S&P Global Platts	+1 212-904-2860		
Peter Tertzakian , Chief Energy Economist and Managing Director, ARC Financial	(403) 292-0809		

Key Messages – British Columbia:

- We have been informed by PETRONAS that they have decided to cancel the Pacific NorthWest LNG project. (They will remain in Canada, however, and continue their operations in the north-east BC.)
- We respect the company's decision.
- Let's be clear: over the last few years, the global downturn in the energy marketplace has created economic challenges for the LNG industry. Today's news from PETRONAS reflects that reality.
- The marketplace is challenging everywhere, not just in B.C.
- Despite today's development, we know British Columbia has long-term future in natural gas supply, and exporting is still possible.
- Our government will now move on to support the prospects of British Columbia's natural gas sector to create good-paying jobs here in B.C.
- Many analysts project a continued rising demand for LNG which would support further development of 'greenfield' locations – like Pacific NorthWest LNG.
- British Columbia is well positioned to maintain a competitive natural gas sector. This is a province with some of the world's most prolific natural gas plays and an opportunity for growth.
- Our government is committed to working with the LNG industry to ensure our fiscal policies address competitiveness issues and the changing market conditions, ensuring we are a globally competitive jurisdiction.
- British Columbia's new government supports LNG development – we have been clear about our four conditions:
 1. LNG projects must offer jobs and training for British Columbians, especially jobs for local people.
 2. The people of BC must get a fair return for our resources.
 3. LNG projects must secure full partnerships with local First Nations.
 4. LNG projects must complete a made-in-BC environmental assessment and respect our commitments to combating climate change.
- Premier Horgan and the New Democrat government are getting to work on an economy that works for everyone.
- PETRONAS/Pacific NorthWest LNG should be contacted directly for specifics about their decision.

Questions and Answers – British Columbia:

Q: Does this announcement by PETRONAS signal the LNG industry in British Columbia is dead?

It's time British Columbia's heard the facts about LNG – it's an opportunity to help economic growth, but it's not the only opportunity.

There are economic challenges in the energy marketplace right now, and that's been clear for the last few years. Today's news from PETRONAS reflects the economic reality of the marketplace world-wide.

Many analysts project a continued rising demand for LNG which would support further development of 'greenfield' locations – like Pacific NorthWest LNG.

British Columbia's new government will connect with industry proponents directly in the weeks ahead. These proponents know we support the LNG opportunity and we will discuss the status of their projects so we can get a clear picture of how sincere these proponents are about moving forward in British Columbia.

Q: PETRONAS has said the PNWLNG project is not economical - would this be the case with future projects?

To attract investment, BC recognizes that a positive investment climate, strong regulatory regime and a competitive fiscal framework will be of paramount importance in capturing our market share.

Our government is committed to working with the LNG industry to ensure our fiscal policies address competitiveness issues and the changing market conditions, ensuring we are a globally competitive jurisdiction.

Many analysts project a continued rising demand for LNG which would support further development of 'greenfield' locations – like Pacific NorthWest LNG.

Many analysts predict the window will open in the mid 2020's (when the demand/supply curves comes back into balance), which means Final Investment Decisions could occur in 2018-2019. These projects take approximately 5 years to build.

Q: Does the recent change in government in BC have anything to do with PETRONAS's decision?

No. The company connected with us directly earlier today and told us about their decision. This was a decision they made after reviewing the economics of their proposal and market conditions.

One of our key commitments was to create good-paying family-supporting jobs in every community across BC – and we will continue to work to do that.

Q: What about other companies? Have you heard if other companies are planning to walk away from their projects as well?

At this time we have not heard from other companies about their plans.

We have multiple LNG proposals still on the table in British Columbia, demonstrating a continued interest in our province's export potential. This includes LNG Canada, Kitimat LNG, Aurora LNG and WCC LNG. These are in addition to Fortis BC's expansion of the Tilbury facility and Woodfibre LNG's commitment to move forward with their project.

We will continue to support the prospects of the industry as long as it meets our four conditions to ensure British Columbia benefits.

Q: Does your government support the industry or not?

Our government has never opposed LNG development in B.C. – we only have four conditions to ensure British Columbia benefits.

Q: What are your government's conditions for the LNG industry?

There are four conditions:

5. LNG projects must offer jobs and training for British Columbians, especially jobs for local people.
6. The people of BC must get a fair return for our resources.
7. LNG projects must secure full partnerships with local First Nations.
8. LNG projects must complete a made-in-BC environmental assessment and respect our commitments to combating climate change.

Q: Had any infrastructure been put in place to support this plant?

PETRONAS and their partners had been reviewing every element of their proposal before making a final investment decision. There was no infrastructure built because a final investment decision was never finalized by the company and their partners.

Q: What about Progress Energy who is owned by PETRONAS? Does today's announcement signal the end of Progress Energy in British Columbia?

Progress Energy has been an active player in British Columbia's natural gas sector and that is expected to continue. PETRONAS has told us directly they are seeking opportunities for Progress Energy in British Columbia's upstream sector and they will continue to make investments.

Q: How many jobs could be lost?

Pacific NorthWest LNG had not started construction, so job losses at this time were minimal. We were informed 44 people in Canada were laid off as a result of today's development.

According to Pacific NorthWest LNG, the project could have created 4,500 new construction jobs and close to 350 permanent positions.

We are optimistic new job opportunities will be realized through Progress Energy's involvement British Columbia's upstream natural gas sector. One of our key commitments was to create good-paying family-supporting jobs in every community across BC – and we will continue to work to do that.

Q: What impact does today's development have on First Nations and those who signed benefits agreements linked to Pacific NorthWest LNG?

The agreements were contingent on Pacific NorthWest LNG being built and operating. Any up-front funds allocated to First Nations as part of signing an agreement will support future business opportunities.

Q: Did PETRONAS's decision have anything to do with the concerns around Lelu Island and the desire by some First Nations to relocate Pacific NorthWest LNG?

No, this was not an issue about the location. PETRONAS and their partners had been reviewing every element of their proposal before making a final investment decision and determined Pacific NorthWest LNG was uneconomical to move forward (challenging market conditions).

Q: Did NDP MLA opposition to the location of Pacific NorthWest LNG have any influence on the decision made by PETRONAS?

No, the company was very clear when they contacted us directly that this was a decision made because of market conditions. PETRONAS and their partners had been reviewing every element of their proposal before making a final investment decision and determined Pacific NorthWest LNG was uneconomical in today's global market to move forward.

Q: Does PETRONAS's decision have any impact on the Government of Canada and their outlook on LNG?

We have multiple LNG proposals still on the table in British Columbia, demonstrating a continued interest in our province's export potential. This includes LNG Canada, Kitimat LNG, Aurora LNG and WCC LNG. We don't believe today's announcement has changed the Government of Canada's perspective on British Columbia's natural gas industry.

With that said, it is best to contact the Government of Canada for their comment on today's events.

Q: Will today's development have any impact on federal-provincial relations?

No. In fact, the Prime Minister of Canada and the Premier of British Columbia met earlier today to discuss multiple topics. It was a positive meeting.

- I'm in Washington DC to fight for BC's interests in the softwood lumber dispute
- Getting a fair deal on softwood is a top priority for my government:
 - Thousands of workers whose livelihoods are on the line
 - Island and Interior communities depend on these jobs
 - And softwood is critical to the BC economy

- Here in Washington, I've met with the Canadian Ambassador
- And key trade officials for the United States
- Earlier this week I was in Ottawa, where I spoke with Prime Minister Trudeau about softwood lumber
- We agreed that it was important to take a strong and united stand

- We're going to fight for a fair and lasting deal on softwood lumber that's
 - good for BC workers
 - good for our forest sector
 - good for our economy

- To the BC workers in our forest sector
 - who are worried about the future
 - who are counting on us
 - we will fight for you
 - today and every day
 - until the deal is done

July 31, 2017

Softwood breakfast meeting

Speech objectives:

- Talk about softwood lumber – why a fair deal is your priority
- Talk about what's at stake – with a focus on people
- Share information about softwood talks in Ottawa/Washington
- Tone: Strong voice for BC, taking action, focused on people

Format:

- Closed-door breakfast meeting and briefing
- Premier to speak after roundtable introductions
- Questions and answers to follow

Audience:

- Closed session, invite-only
- BC Lumber Producers

Special mentions:

- David Emerson, U.S. envoy on softwood
- COFI - Hosts and organizers

Q&A at end.

SPEAKING NOTES BEGIN NEXT PAGE

- Traditional territories
 - Musqueam
 - Squamish
 - Tsleil-Waututh

- Thanks you for joining us
 - A special thanks to COFI for bringing us together

- As you all know, BC is fighting hard for a fair deal on softwood lumber

- You've all been affected by this dispute
 - As have thousands of BC workers
 - And forest-dependent communities
- My priority is fighting for BC workers and our forest sector
- That's why I committed to visit Washington DC within 30 days of becoming Premier
 - To fight for a fair deal on softwood
 - Not just any deal
 - but a deal that works for BC

- That trip happened last week – first Ottawa, then Washington DC
- You may have heard some news coming out of those meetings
- Today I'd like to give a bit more detail
 - On a confidential basis
 - To give you a lay of the land
 - And where we might be headed

OTTAWA

- We had productive meetings with
 - Prime Minister Trudeau
 - Minister Freeland

- I reminded them both of
 - the significance of B.C.'s softwood
lumber industry within Canada
 - and the need for B.C.'s interests to
be reflected in any agreement on
softwood

- We have a strong and united voice on
softwood

- They understand how important it is for any agreement to reflect BC's interests
- Including a fair market share
- And a long-term view of the significance of BC lumber to the US market

WASHINGTON

- Moving on to Washington, we had very positive and productive meetings, including:
 - Ambassador to the US **David MacNaughton**
 - Ambassador **Robert Lighthizer**
 - **Congressman Reichart** – Chair of the Trade Committee
 - **Congresswoman DelBane** from Washington State

- **Leo Gerard** – steelworkers have joined us in pushing for a good deal for BC
- The **National Association of Home Builders**, who have an interest in seeing a fair deal on softwood so they can keep building homes for people in the US
- And Commerce Secretary **Wilbur Ross**

- These were all excellent opportunities to learn and strengthen relationships, but I want to focus on two meetings in particular:

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- For my part, I was there to deliver some clear messages:
- B.C. is willing to negotiate and supports the work of Minister Freeland and Secretary Ross to date

- That said, B.C. is of the view that we are a fair and competitive trader and we expect that to be proven in lumber V, as in every previous case
- So while we're interested in a long term deal that avoids further time and money wasted in duties and litigation
- We are only going to be able to support a deal that works for BC

- We will be working closely with Canada and all of you in the weeks ahead to make sure that we
 - have done the best we can to achieve a fair deal
 - but a deal that does not work for BC is not a deal worth accepting.

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- Minister Ralston will work hard to defend BC's interests and that of our industry
- He'll be working closely with Minister of forests Donaldson
 - his technical support and knowledge of the sector will be critical
- We will continue to have the counsel and support of David Emerson, John Allan and Jason Fisher on the file
- Thanks for listening. I am happy to answer any questions that you have

Q&A TOPICS

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- Government's support for exclusion of western red cedar and high value products from any settlement with the US
- Response to Wildfires, salvage opportunities and relief for companies that have lost timber supply

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- **Support for remanufacturers, independents and the value added sector**