

# nwt board forum

Resource Management information for the NWT



## 18<sup>TH</sup> BOARD FORUM MEETING SUMMARY REPORT

November 27-28, 2013  
Calgary AB



# **NWT BOARD FORUM SUMMARY REPORT**

## **18<sup>TH</sup> NWT BOARD FORUM MEETING CALGARY, ALBERTA**

**NOVEMBER 27 - 28, 2013**

**Prepared for:**

Board Relations Secretariat  
Yellowknife, NT

**Prepared by:**

SENES Consultants  
3rd Floor – NWT Commerce Place  
4921 - 49th Street,  
Yellowknife, NT X1A 3S5

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## **1.0 INTRODUCTION**

### **1.1 PURPOSE AND OBJECTIVES OF THE BOARD FORUM MEETING**

The 18<sup>th</sup> NWT Board Forum was held in Calgary, Alberta on November 27 - 28, 2013. There were three key themes to this Forum: (i) introduction to hydraulic fracturing via a site tour and follow-up discussions; (ii) informed discussion in the area of regulatory integration and coordination within the context of Devolution and the federal Northern Regulatory Improvement Initiative (NRII); and (iii) to hear from youth regarding northern resource management. The Board Forum was also an opportunity for members to advance the strategic plan, build partnerships and share knowledge.

### **1.2 REPORT STRUCTURE**

This report presents a summary of the 18<sup>th</sup> NWT Board Forum meeting held in November 2013. Highlights and summaries provided in the following sections are presented based upon the agenda established for the meeting.

## **2.0 OPENING REMARKS**

After a brief welcome by the host, Gaétan Caron (NEB), an opening prayer was led by George Barnaby.

Host Gaétan Caron continued with opening remarks by emphasizing that significant collaboration among the NWT boards is evident in the five Memoranda of Understanding signed between the NEB and the MVLWB, MVEIRB, NIRB,NWB, and EISC/EIRB. Collaboration will need to continue as the plans for a deep-water offshore oil and gas well in the Beaufort Sea advance. He also noted that this was the largest meeting of the Board Forum since its establishment ten years ago, and that this reflected the enthusiasm and commitment of the Board Forum members to continue to use the Board Forum as a means to continually improve the regulatory regime in the NWT.

## **3.0 COMMITTEE REPORTS AND PRIORITIES**

### **3.1 GOVERNANCE UPDATE – CO-CHAIRS WILLARD HAGEN AND RICHARD EDJERICON**

After thanking the NEB for an informative tour of hydraulic fracturing operations in Red Deer and Cochrane, the Co-Chairs provided a brief update about ongoing work of the Governance Committee:

- The Minister of AANDC was invited to attend the November 2013 Forum but he sent his regrets due to a schedule conflict.

- Devolution and MVRMA amendments are being monitored closely and the Governance Committee will continue to report back to the NWT Board Forum as new information is learned.
- Michael McLeod (MVEIRB) was welcomed as a new member.

**Discussion:**

- i. **Presentation Availability**—Presenters will continue to endeavour to make their presentations available in advance of the Forum to provide an opportunity for participants to review the information and formulate questions.

### **3.2 BOARD TRAINING UPDATE – BOB SIMPSON**

The Training Committee's activities and updates included the following:

- Received \$150,000 this year for training from AANDC.
- Courses carried out this year include Administrative Law and Conducting Public Hearings.
- The existing training package for a course focussing on wildlife regulation will be improved upon in preparation for delivery in the upcoming year. The improved materials will address the role of the renewable resources boards.
- A current priority is exploring on-line formats for delivering a Board Orientation Course for board members and staff that addresses Devolution and legislative changes.
- Opportunities for collaboration and resource sharing with the GNWT have been identified as the GNWT is also developing training packages for their staff that will overlap with the training needs of the boards. Discussions regarding training package content and format, including on-line formats, are in-progress.

**Discussion:**

- i. **Wildlife Regulation Course** – Participants supported a wildlife regulation course because of the changes to the Wildlife Act and the need to include Traditional Knowledge in resource management.
- ii. **Collaboration with the GNWT** – Participants agreed that collaboration with the GNWT is critical, especially the Devolution team.

### **3.3 OUTREACH AND COMMUNICATIONS UPDATE –MARK CLIFFE-PHILLIPS**

Mark Cliffe-Phillips provided the update as Violet Camsell-Blondin was unable to attend the November 2013 Board Forum meeting due to conflicting commitments. The Outreach and Communications Committee (OCC) was not able to meet as a committee since the June 2013 Board Forum meeting but, at the direction of the Chair, staff undertook the following activities:



- Review of the new Board Forum website and PowerPoint presentation materials was completed. The new presentation will be forwarded to the OCC for review and then provided to the Board Relations Secretariat.
- The PowerPoint presentation will be updated in the coming months to reflect changes occurring as a result of Devolution and northern regulatory reform.
- In July 2013, PowerPoint presentations were made to DFO (Yellowknife and Ontario staff) and the Tłıchǵ land use planning group to provide an introduction to the northern regulatory system.
- In response to the NWT Board Forum's initiative to engage youth as a primary audience for communications and outreach, two students will be presenting during the second day of this 18<sup>th</sup> NWT Board Forum meeting.
- Other recent outreach activities include visits to high schools in the Inuvialuit Settlement Region by the NEB to provide an overview of its regulatory role in the north.
- Development of a media kit and communications plan will continue. A one-page brief will be developed as part of the media kit that can be attached to outgoing Board Forum correspondence. Purpose is to standardize and streamline messaging about the role and function of the NWT Board Forum.
- The OCC was planning on meeting following the close of the first day of the 18<sup>th</sup> NWT Board Forum.

**Discussion:**

- Youth Focus in the Communications Plan** – Ongoing engagement with youth is supported and the communications plan should include activities and methods appropriate for youth.
- Communications to Public** – Communications to the public regarding the role and function of the NWT Board Forum, its activities and achievements, and how it contributes to the overall regulatory regime in the NWT need to continue.

**Action Item:**

- Development of a one-page brief on the role and function of the NWT Board Forum for use as an addendum to future correspondence.**

## **4.0 PRESENTATIONS**

### **4.1 HYDRAULIC FRACTURING DISCUSSION**

The Forum host and participants thanked the NEB staff for organizing a successful and informative site tour and are looking forward to additional discussions on this important topic.

#### **4.1.1 Recap of Hydraulic Fracturing Tour – Patrick Smyth, Business Leader-Operations, NEB**

Patrick Smyth provided a brief recap of the hydraulic fracturing tour held on November 26, 2013 which was attended by twenty-five participants. The objectives of the tour were to gain an understanding of the nature of hydraulic fracturing activities, size of hydraulic fracturing sites, the types of equipment that are used to carry out hydraulic fracturing operations, and waste management practices at hydraulic fracturing sites. Tour components included the following:

- a site visit to CalFrac's field office near Red Deer to learn about equipment used in hydraulic fracturing operations;
- a tour of hydraulic fracturing operation near Cochrane; and
- a presentation by Tervita on waste management in oil and gas operations with a focus on flow-back and produced fluids and horizontal well drill cuttings.

The hydraulic fracturing operations observed during the tour had the following characteristics:

- freshwater is held in tanks during hydraulic fracturing
- water that comes back up the boreholes goes through a separator and then is stored in on-site tanks until such time that it is processed or removed from site
- short duration (few days) at each borehole location;
- continuously monitored by expert technicians using electronic monitoring systems for down-hole pressures, water volumes, and drill fluid components at a mobile command centre.
- ball-drop with sliding-sleeve technique employed

While the specific hydraulic fracturing technique observed during the tour (ball-drop) will differ from that proposed for the NWT ("plug and perf"), the size of the site, the nature of the activities and the equipment used will be similar.

#### **4.1.2 Filing Requirements for Onshore Drilling Operations Involving Hydraulic Fracturing – Bharat Dixit, NEB**

Bharat Dixit provided an overview of how hydraulic fracturing has changed over time; how it is presently regulated; the key concerns heard during community engagement and information sessions; and incorporation of these concerns in the filing requirements.

- Overview of hydraulic fracturing:
  - A well-stimulation process that breaks up rock by the injection of high pressure fluids.
  - The high pressure fluid contains water or oil, proppant (sand) and additives. The proppant keeps the fractures open and allows the hydrocarbons to flow to the wellbore.
  - Flowback fluids return to the surface.

- The process lasts for a few days to a couple of weeks. After that there is a small pad with a well head and pipelines for transportation of oil, gas, and water.
- Hydraulic fracturing was tested as early as 1947.
- Over time, the nature, scale, and magnitude of operations has significantly changed:
  - Horizontal legs were initially on the order of 1 m. Operations now consist of multiple wells from a single drill pad (about 3 to 4 ha in size), with each well having a horizontal leg that extends 1 to 2 km laterally.
  - Up to 10 to 40 multiple fracture stages are used.
  - Pressures may now be very high, up to 100 MPa. By comparison, pressure of a household tap is 0.4 MPa.
  - Larger volumes of water are used at higher rates.
- Community engagement activities were undertaken to hear issues and concerns held by community members in the Sahtú, Gwich'in and Inuvialuit areas and to explain how the NEB would regulate activities that involve hydraulic fracturing in those areas:
  - NEB staff have participated in about 30 community engagement sessions in the past 2.5 years.
  - The NEB visited all communities in the Sahtú Settlement Area except for Colville Lake. Residents of Colville Lake travelled to the Fort Good Hope sessions.
  - NEB will work with the SLWB while the SLWB holds its annual information sessions in the communities.
- Key concerns heard during the community engagement sessions related primarily to water, land and air. Specific concerns include the following:
  - Water quality and quantity of water used and water that flows back up the holes
  - Make-up of fracturing fluid and disclosure of information
  - Waste water and drill cutting disposal
  - Possible degradation of permafrost
  - Size of the well pad and infrastructure
  - Potential of earthquakes as a result of hydraulic fracturing activities.
  - Air quality and impacts of flaring
- Communities asked about the adequacy of environmental screening and why projects involving hydraulic fracturing were not referred to a more comprehensive environmental assessment.
- Taking into consideration the concerns heard during engagement activities and regulatory practices in other Canadian and US jurisdictions, the NEB produced its *Filing Requirements for Onshore Drilling Operations Involving Hydraulic Fracturing* (released on September 12, 2013). These *Filing Requirements* outline the information the NEB expects in an application for onshore activities involving hydraulic fracturing.
  - Management systems
  - Safety plan and environmental protection plan

- Confirmation that a Benefits Plan has been approved or waiver of the requirement
- Proof of financial responsibility
- A declaration by applicant
- Specific requirements related to hydraulic fracturing:
  - Groundwater zones protection
  - Protection of the permafrost
  - Well design and Integrity
  - Modeling, execution and evaluation
  - Extended formation flow tests
  - Chemicals usage and disclosure
  - Waste management
  - All-season well pads
  - Inter-well distances on multi-well pads
- Emerging concerns include:
  - Well integrity - Integrity of cement over time (25+ years)
  - Lack of peer-reviewed literature
  - Robust monitoring programs, especially related to groundwater
  - Properties of flowback fluids including concentrations of heavy metals, radioactivity and salts

#### Discussion:

- **Use of Explosives in Hydraulic Fracturing** – Concerns were raised regarding the use of explosives in hydraulic fracturing operations. Use of charges depends on technique employed. No charges are used in the ball drop fracturing technique observed during the site tour because pre-cut sleeves are used. Conoco's operations in the Sahtú will involve setting off small charges to create pathways between the borehole and the rock formation containing hydrocarbons. Minimizing the use of charges and the area within the rock formation impacted by the charges is part of project design.
- **Spill Reporting and NEB Jurisdiction in the Sahtú**– A spill was observed during the November 26 tour and questions about NEB jurisdiction in Alberta and the NWT were raised. Participants emphasized the importance of proper spill reporting and response, community involvement and regulatory oversight because spills along the Mackenzie River will affect people living downstream.
  - The Alberta Energy Regulator is responsible for overseeing the operations observed during the November 26 tour.
  - In the Sahtú, the NEB will be the regulator until the end of March 2014. Starting April 1, 2014, the GNWT will become the regulator but the NEB will continue to provide support during the transition.
  - Regulators are notified of spills via the NWT Spill Line.
- **On-Site Monitoring of Hydraulic Fracturing Operations**
  - Primary responsibility for monitoring and adhering to regulatory requirements rests with the operator.
  - NEB and AANDC personnel conduct inspections and enforcement activities.

- The SRRB typically would not conduct on-site inspections of operations.
- Important for regulators to demonstrate through good action that regulation is occurring for the good of the people.
- **Opportunities for Improving Community Engagement** – Approximately 100 community members attended the information sessions and these sessions often lasted 6 or more hours. Concern was raised that the information sessions may have lasted so long because technical information may not have been adequately presented in plain language or translated appropriately. The NEB committed to ongoing engagement and visits with the communities.
- **Breakdown of Community Concerns and Priority Issues**– Questions raised by community members were divided along four major topics as follows:
  - 60% of the questions related to water quantity, quality and disposal
  - 20% of the questions were related to permafrost, footprint size and impacts on traditional activities.
  - 10% of the questions related to air quality
  - 10% of the questions related to regulatory process
  - Communities also raised concerns about the policing/inspection of the hydraulic fracturing operations. The NEB will be present at the site during the first hydraulic fracturing event and will continue to foster confidence in the regulatory system by ongoing engagement with the communities.
- **Public Disclosure of Drilling Fluid Additives** –
  - CAPP advocates public disclosure of additives in its presentation to the Board Forum.
  - Authorizations issued by the SLWB require disclosure of additives, risk assessments on additives and preparation of environmental protection plans. As this information is prepared, it becomes publically available.
- **Do the draft financial responsibility guidelines reflect current NEB policies and when will the guidelines be finalized?**
  - The draft guidelines do reflect current NEB policies and they will continue to be evaluated and updated over time.
  - The NEB will report back to the Board Forum on the timeline for completing the guidelines.
- **Has there been any feedback on the *Filing Requirements for Onshore Drilling Operations Involving Hydraulic Fracturing*?**
  - Yes. The guidelines seem to be considered useful.
  - Clarification was provided that offshore filing requirements have been developed.
- **Was groundwater tested before hydraulic fracturing began in the Sahtú?**
  - Yes. Six wells were drilled to test the water and this information is available on the SLWB public registry.

**Action Items:**

- i. **NEB to provide an update on the timeline for completion of the draft financial responsibility guidelines.**
- ii. **NEB to clarify whether environmental monitors will be a requirement of operations in the Sahtú.**

#### **4.1.3 Update on GNWT Hydraulic Fracturing Guidance Document – Ray Case, GNWT<sup>1</sup>**

- The purpose of the guidance document is to guide GNWT participation in review of hydraulic fracturing proposals and to give a clear signal that protecting the environment is a priority.
- The guidance document is undergoing an internal review at this time and will be shared in 2014. The timeline is not certain as the GNWT wants to take the time necessary to get it right.
- The GNWT will continue to seek input from the NEB and other boards to ensure that the guidance document is complementary and consistent and that the content covered by the guidelines is appropriate.
- Document preparation includes consideration of community concerns and issues will be addressed wherever possible.

#### **4.1.4 Hydraulic Fracturing Principles and Operating Practices – Dave Collyer, CAPP**

- CAPP represents the upstream oil and gas industry
- Fundamentally important for the success of the industry:
  - Competitive to attract capital and encourage growth
  - Social licence – need support or at least acceptance by communities
- Social licence requires leadership and collaboration and is driven by:
  - Performance and the need to keep raising the bar by:
    - Continuous environmental and social performance improvement
    - Keeping the public informed depends on monitoring, and timely and transparent reporting
    - Providing economic and social benefits to Canadians
    - Working within a world class policy and regulatory system that is balanced.
  - Communications and Outreach
    - CAPP does not advocate for industry; rather it advocates for the use of best practices by industry
    - Part of advocating for best practices is recommending regulatory improvements
    - Communications and outreach are grounded in performance improvement
- There are 175,000 wells across the country without issues but CAPP will continue listening to communities to hear concerns, both real and perceived, and responding so that hydraulic fracturing receives a social licence.
- In 2011, CAPP started talking with its members which resulted in industry figuring out its operating principles based on best practices. Five Guiding Principles were established in January 2012:
  - Safeguard water resources

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<sup>1</sup> This presentation was discussion based, no PowerPoint presentation is available.

- Disclosure of water use
  - Support development of fracturing fluid additives with the least environmental risks
  - Disclosure of drilling fluid additives
  - Share technologies with each other to achieve better environmental performance across the industry
- To support the Guiding Principles, seven Operating Practices have been developed, including:
  - Baseline groundwater testing – Landowner consent to undertake well water testing before starting hydraulic fracturing.
  - Fracturing fluid additive risk assessment and management–These are tools to look at chemical constituents to ensure appropriate handling protocols are used. A result of this tool is the investigation into more environmentally friendly products. For example, some companies will no longer use benzene because they now understand the risks associated with that product.
  - Water sourcing, measurement and reuse
  - Fracturing fluid additive disclosure – CAPP moved members past “proprietary” stance and is now recommending that *FracFocus* be adopted across the country as the reporting mechanism. *FracFocus* already adopted in BC and Alberta.
  - Fluid transport, handling, storage and disposal
  - Wellbore construction and quality assurance – This operating practice is close to BC and Alberta regulations but is now applied across the country.
  - Anomalous induced seismicity assessment, monitoring, mitigation and response – To understand potential for seismic activity induced by hydraulic fracturing, need to clearly understand the geology, especially fracturing in the rock.
- The Operating Practices:
  - are voluntary. CAPP is not a regulatory agency or a standard-setting body, but these are widely accepted by industry as the standards at which they should be operating.
  - explain the industry practices and regulations that are already in place, as well as drive environmental performance improvement.
  - are written by industry, for industry. CAPP members have a strong sense of ownership and pride in them.
- Hydraulic Fracturing Regulations
  - Well Casing & Cementing
    - Casing design and cementing requirements isolate and protect usable groundwater
    - Surface casing must be cemented to surface
  - Protecting Water Wells & Groundwater
    - Fracturing at shallow depths (<600 m) requires risk assessment
    - Fracturing restrictions in proximity to water wells
    - Only non-toxic fracturing fluids can be used above usable groundwater
    - Baseline water well testing prior to hydraulic fracturing not currently required in AB, but requirements are expected in 2014

- In BC, water well testing may be a condition of well approval if concerns arise
  - Most companies voluntarily test nearby water wells prior to drilling
- Chemical Disclosure - Mandatory to publicly disclose fracturing fluid composition
- Water Use
  - Water licenses/permits required for fresh water withdrawals
  - Licenses/permits have withdrawal limits and reporting requirements
- Fluid Handling and Management
  - Requirements for proper containment of fluids used or generated
  - Fluids that cannot be recycled or reused must be injected into deep disposal wells
  - Disposal wells must meet design and construction requirements
- Seismicity – BC requires seismic monitoring, reporting and mitigation
- Interwellbore Communication
  - Alberta requires risk assessment and well control plan
  - BC recommends notification of and coordination with other operators prior to hydraulic fracturing within 1000 m of a well

**Discussion:**

- **Public Disclosure of Drilling Fluid Additives**
  - Use of non-hazardous additives not included to prevent detracting of focus from real issues.
  - Companies remain uncomfortable disclosing drilling fluid recipes but disclosing only the individual additives may prevent risks from being fully understood.
  - There may be a link to the Transportation of Dangerous Goods Regulations which requires that materials be characterized as a whole rather than by components.
- **Can injected water be cleaned?**
  - Water can be recycled to reduce the amount of water used. If water is reused, it may be filtered, but this would be more for operational purposes, not disposal by deep well injection.
- **How is injected water monitored to make sure it stays where it is supposed to?**
  - Potential for migration is managed by wellbore design and by injecting only in tight formations. Injection pressures should be less than the fracturing point of the formation.
  - Wellbore integrity is monitored
- **Industry self-regulation and role of CAPP**
  - CAPP has about 100 members and is a volunteer organization but serves no regulatory oversight function.
  - Members are not required to follow Operating Practices but CAPP does have a requirement for reporting on performance related to following the operating practices.



- CAPP works with companies to improve performance and encourages government to adopt the operating practices as regulations.
- **If hydraulic fracturing has been going on for forty years, why is it such a concern now?**
  - Hydraulic fracturing is occurring in new jurisdictions and the new jurisdictions are asking questions.
  - Some groups are against the use of hydrocarbons and therefore are highlighting risks.
  - Important for regulators to separate risks from performance against those risks.
- Operating Practices were developed to assist with obtaining a “social licence”, however, operating practices are national and social licences are more regional. **Are more regional statements going to be developed by CAPP?**
  - Yes, they are being considered.
  - The risk tool is being used to identify regional and national issues in a structured way.
  - While each jurisdiction has its own values and concerns, there is some commonality and opportunities to share learnings across jurisdictions.
- **Will an air quality guideline be developed?**
  - Engagement indicated that water and seismicity were priority concerns and so were addressed first. Federal government already regulates air quality but if gaps in regulations are identified, then operating practices may be developed to fill the gaps. One example may be flaring.
- Different companies specialize in different parts of the oil and gas industry (e.g., upstream, downstream). **What is in place to make sure all of the “pieces” fit together without gaps?**
  - Petroleum Services Association of Canada is looking at how to integrate all aspects of projects.

#### **4.1.5 NEB Update on Hydraulic Fracturing Community Engagement – Brian Chambers, NEB**

- NEB travelled to the Inuvialuit Settlement Region, the Gwich'in Settlement Area and to four of the five communities in the Sahtú.
- Along with the SLWB, the NEB participated in industry-hosted workshops to answer questions about how the oil and gas industry is regulated.
- Engaged youth in schools and held community sessions.
- Presentations were made to the Inuvialuit Game Council and the Gwich'in Renewable Resources Council in Aklavik.
- NEB is committed to providing information to communities and sessions are being planned for the new year to discuss how the NEB and SLWB will cooperate in regulating hydraulic fracturing.

## **Discussion:**

Discussion focussed on ground water testing and whether the results inform the communities about underground rivers and caverns. CAPP clarified that landowners need to agree to release water well testing results to communities. The oil and gas industry has generated more data on geology and groundwater in western Canada than any other sector and regulators are provided with that data. There is value in setting up regional monitoring networks which are the responsibility of governments as well as industry.

The NEB announced that it will join *FracFocus*.

## **4.2 MINING AND SUSTAINABILITY**

Brian Chambers introduced the session by thanking Tom Hoeffler, Executive Director of the NWT/Nunavut Chamber of Mines, for organizing this section of the Board Forum even though he was not able to attend in person due to an unforeseen scheduling conflict.

The three presentations in this section were made consecutively with discussion following the third presentation.

### **4.2.1 A Sustainable Mineral Industry: The Role of Mineral Exploration - Ross Gallinger, Executive Director, PDAC**

- PDAC was established in 1932 and is the voice of the Canadian mineral exploration and development industry. MAC represents the operators.
- 1,200 corporate members and over 8,000 private memberships
- PDAC's mission is to promote a responsible, vibrant and sustainable Canadian mineral exploration and development sector
- Most important event is the Convention, regarded as the premier event for mineral industry professionals.
- PDAC researches issues facing the industry, and engages governments, communities and industry itself to create innovative solutions that improve competitiveness and that support responsible exploration.
- Program Areas:
  - Aboriginal Affairs
  - Corporate Social Responsibility
  - Finance & Taxation
  - Geoscience
  - Health & Safety
  - Human Resource Development
  - Lands & Regulations
  - Securities & Capital Markets
- Runs a field school for talented 3<sup>rd</sup> and 4<sup>th</sup> year university students from across Canada.
- Developed *e3 Plus: A Framework for Responsible Exploration*.
  - *e3 Plus* is their flagship initiative promoting best practices.

- Web-based resource providing the information companies need to improve social, environmental, and health and safety performance while enhancing shareholder value
  - Contains eight principles on how to obtain a social licence for exploration.
  - Developed from guidance by members; exploration industry workshops; and focus group meetings.
  - Single source of material exclusively for the exploration industry and is comprehensive, scalable and adaptable.
- Created Mining Matters, a multidimensional program to introduce children and their teachers to earth sciences and help attract the next generation of talent to our industry.
- Key Messages:
  - Mining sector plays a significant role in the NWT, making up 16% of GDP.
  - Mines may not be sustainable because they have finite lives but the businesses and training that they provide can be sustainable.
  - Mineral exploration is risky, and made riskier in the NWT by a number of challenges, including a complex and uncertain regulatory environment.
  - Mineral exploration expenditures in the NWT have fallen dramatically since 2001. Even in good times, exploration falls off in the north.
- Capital intensive so 60-80% of the full metal value stays within the region.
- Sustainable benefits to NWT include over \$9.3 billion to northern business including \$4 billion to aboriginal businesses; 1541 northern FTE jobs; over \$100 million to northern communities; about \$215 million in tax revenue for the GNWT; and millions of dollars in scholarships.
- NWT Mines have the following lives:
  - Ekati – 2019
  - Diavik – 2023
  - Snap Lake – 2028
  - Cantung – 2014
- Sustainability requires continuous and strong investments in mineral exploration
- NWT mineral investment lags behind Yukon and Nunavut
  - Access issues
  - Sharing geological knowledge key. If the geology is there, the prospectors will come.
  - Not enough exploration projects given the odds of success. Only 1 grassroots exploration project in 1000 will result in an economic deposit.
  - High operating costs
  - HR challenges
  - Unsettled land claims and incomplete regional land use plans
  - Complex, uncertain and inefficient regulatory environment
- There are a number of reasons for increased optimism. The attractiveness of the investment climate in NWT is increasing by:
  - Akaitcho-Mining Industry MOU
  - NWT Mineral Development Strategy
  - Infrastructure Projects
  - Devolution

- GEM II – a geoscience mapping project
  - NWT Surface Rights Board Act
  - Proposed Amendments to the Mackenzie Valley Resource Management Act
- Attributes of Optimal Regulatory Regimes
  - Growth-supporting
  - Proportional
  - Flexible and durable
  - Certain and predictable
  - Transparent and accountable
  - Capable regulators

#### **4.2.2 Understanding TSM - Pierre Gratton, President and CEO, MAC**

Before beginning the presentation, Pierre Gratton explained why implementation planning is important from the mining industry's perspective using the implementation of the new Fisheries Act and Regulations as an example. Existing compensation plans do not meet the new Fisheries Act and Regulations, but as there were no provisions to accommodate existing plans, the plans would need to be redone for compliance. DFO indicated that redoing the plans wasn't the intent and now DFO and the mining industry are working together to ensure companies don't have to start again.

- MAC is the national voice of the mining industry in Canada and advocates for the advancement of mining.
- TSM Initiative
  - award winning and is being recognized by environmental advocacy groups
  - promotes stewardship and helps to obtain a social license by ensuring members engage with and support local communities; follow world-leading environmental practices; and commit the resources and leadership needed to promote the safety and health of employees
    - at its core are accountability, transparency and credibility
  - Program Architecture:
    - Guidance and expectations are set by Guidance Principles which are value statements.
    - Focus areas are Environment Footprint, Communities and People, and Energy Efficiency.
    - Six fully developed sets of Performance Protocols including Tailings Management, Biodiversity Conservation Management, Aboriginal & Community Outreach, Safety and Health Management, Crisis Management, and Energy Use & Greenhouse Gas Emissions Management.
    - Mine closure performance protocol in development and a water and mining performance protocol will be developed.
    - Each performance protocol includes specific indicators. For example, crisis management and preparedness is an indicator under the Crisis Management protocol and is assessed as either yes or no because preparedness can't be partially done.

- Design and implementation are overseen by a national Communities of Interest Advisory Panel (COI Advisory Panel):
  - chosen by a multi-stakeholder group, including aboriginal groups, environmental and socio-economic NGOs, United Church, labour/workforce representatives, finance/investment representatives, media, MAC, junior mining representatives.
  - Meets twice per year.
  - Agendas and meeting minutes and reports are publicly available on the MAC website.
  - Annual COI Panel Statement published in TSM Progress Report.
- Performance rating of members
  - Five levels of performance (scores) including from lowest to highest rating are C, B, A, AA, and AAA.
  - MAC strives to have all members reach Level A as a minimum which means systems and processes are developed and implemented.
- TSM verification:
  - Only system in world that evaluates and reports on individual sites rather than a corporate roll-up.
  - Annual self-assessment but external verification every three years
  - During the verification year, the CEO must provide a letter of assurance which is posted on MAC website.
  - 2-3 companies each year undergo a COI Panel Advisory Review, which is like a PhD thesis defence, to verify self-assessment.
- Public reporting
  - Publication of results is company specific and aggregated for the membership as a whole.
  - On website ([www.mining.ca](http://www.mining.ca)).
  - Useful for comparison between companies
  - At first reporting was scary to members but over time trust has been built and sharing of improvements has increased.
- One member of COI Advisory Panel has indicated that the rating is particularly useful to evaluate, at a high level, new companies coming into an area.
- Over time, overall performance of members is improving and the number of sites achieving a Level A is increasing.
- In 2014, there will be full facility rating available for Biodiversity Conservation Management and Safety and Health Management.
- Evolution of the TSM initiative will evolve. Today's AAA ratings will be tomorrow's A ratings as the bar continues to rise.

#### **4.2.3 Sustaining Mining in the NWT – Rick Meyers, MAC on behalf of the NWT/Nunavut Chamber of Mines**

- Canada's overall northern metal and non-metallic mineral output is expected to grow by 91% from 2011 to 2020.
- The least explored region in Canada and very high mineral potential.

- Anticipated new mineral production within 5 years.
- Additional projects expected before 2020
- Four operating mines in the NWT, including Ekati, Diavik, Cantung and Snap Lake
- 34 past operating mines in the NWT (includes properties that were in operation prior to creation of Nunavut).
- Ekati - Now owned by Dominion Diamonds and the two geologists who discovered it. It is the first one built and went into production in 1998. It is NWT's largest mine but not the largest producer of diamonds.
  - Workforce (2011) 1,213
  - Cum. Employment 19,991
  - Cum. Spending \$5.6 B
  - Fuel/Property Tax \$107.7 M
- Diavik – the NWT's largest producer of rough diamonds. Owned by Rio Tinto (60%) and Dominion Diamonds (40%).
  - Workforce (2011) 1,165
  - Cum. Employment 12,926
  - Cum. Spending \$5.5 B
  - Fuel/Property Tax \$76.9 M
- Snap Lake – First all underground diamond mine and owed by De Beers.
  - Workforce (2011) 678
  - Cum. Employment 4,685
  - Cum. Spending \$1.7 B
  - Fuel/Property Tax \$28.3 M
- Cantung mine – Started in 1962. Tungsten not mined in many places and is the Western World's largest producer of tungsten concentrate.
  - Opened 1962
  - Workforce (2012) ~220 but varies
  - Cum. Employment 5-6,000
  - Cum. Spending \$1-2 B
- There is a great benefits and value of mineral production in the NWT:
  - NWT mining is bigger than Nunavut and Yukon.
  - NWT mines use this revenue to pay wages, do business, and pay taxes.
  - Government has greatest impact on GDP but the second largest contributor to the economy is mining
  - Construction, real estate, transportation also benefit from mining.
- Mining pays corporate taxes and royalties, payroll taxes, income taxes, fuel and property taxes which governments need to pay for such things as health care, social services, education, and roads.
  - By end of 2013, diamond mines will pay \$3.6 billion in taxes and by end of 2020 \$5.6 billion in corporate taxes and royalties.
- Our mines create employment and business development
  - Exceeded employment & business expectations
    - 19,000 person years northern employment – 50% Aboriginal
    - Over \$9.3 billion in northern business – \$4 billion Aboriginal
  - Operate to the highest of safety standards and high international standards including ISO.

- Report titled “Measuring Success” describes the positive impacts of mining in the NWT and is available on the Chamber’s website.
- Mining benefits communities in many ways
  - Over \$100 million paid in training and scholarships, charitable donations, sponsorships, building of recreation and health facilities like the Bailey House and the Shorty Brown Arena, and IBA payments.
  - The mines helped build new Aboriginal businesses. For example, the Tłıchǫ Investment Corporation and Det’on Cho group of 16 companies recently placed in the top 500 fastest growing companies in Canada.
- Mining is environmentally responsible:
  - TSM
  - Tailings Management – three Tailings Management Guides have been developed by MAC; MAC requires a Tailings Management Framework for all operations.
  - Improving energy efficiency and climate adaptation through the use of thermosyphons to preserve permafrost; heat exchangers; wind energy; expanding hydro development; and replacing diesel with LNG.
  - Stringent Regulatory Compliance
  - ISO registrations
- Mines don’t last forever. The 6 proposed mines are all small in comparison and are not adequate to replace the diamond mines.
  - Approximately 1400 jobs will be lost when Ekati closes and 1,000 more when Diavik closes about five years later.
  - More exploration is required so that more mines can be found to offset future mine closures.
- There are actions underway to help the NWT operating environment that will encourage mining:
  - The Federal Government is helping by negotiating to settle land claims; simplifying the regulations; Devolution – giving power to the GNWT who promise to do a better job; providing training dollars and geosciences dollars.
  - The GNWT is helping by developing the NWT Mineral Development Strategy which outlines the five pillars to help sustain mining into the future and is anticipated to improve the NWT’s competitiveness. Its objectives are to attract exploration money; support northern jobs and businesses and taxes; and to prepare for Devolution.
  - The Tłıchǫ Government is helping by creating the KweBeh working group to be the single point of contact for the mining industry. They are there to help companies work with communities.
  - Akaitcho are helping by signing an MOU with Chamber of Mines for *Mutually Beneficial Mineral Exploration and Development in the Akaitcho Territory*.

#### **Discussion on presentations by PDAC and MAC:**

- **How should boards weave ISO and TSM into their regulatory process and how should these two standards systems be differentiated?**

- The TSM is designed to fit within the ISO model and is about going beyond regulations. In Nunavut, NTI is insisting that TSM be implemented in their territory. TSM is also a requirement of some IBAs.
- **Who performs external audits under TSM verification framework?**
  - One of the verification services providers listed on the MAC website is used.
  - Every company is verified every three years, meaning 1/3 of the companies are verified each year.
  - For AA and AAA level ratings, external parties such as first nations, regulators and governments are contacted as part of the verification process.
- **Are there any current mines at the level of A, AA, or AAA?**
  - Ratings for each mine vary by performance area. Dominion Diamonds doesn't have any results yet but BHP Billiton reported each year. Diavik is expected to submit results this year.
- **Is environmental protection and mine reclamation part of TSM?**
  - A specific closure protocol is not developed but two TSM Protocols, including Biodiversity and Conservation and Tailings Management relate to environmental protection and closure.
  - Projects should not proceed unless they can demonstrate that they can be closed.
  - Bonding and regulations related to closure have a role in addition to TSM.
- **Role of land claim settlements and land use plans in regulatory certainty**
  - Over 1500 preliminary screenings have been completed with 61 resulting in referrals to EA. Of the 61 referrals, 53 were for projects in unsettled regions. Settling claims is key to creating success. What can industry do to push the settling of land claims and land use planning?
    - Mining industry agrees that success depends on settlement of land claims. Industry won't get involved in negotiations but as a priority is promoting settlement to governments.
  - Yukon has more settled land claims than NWT but little land use planning. NWT has more land use planning. ISR doesn't have land use plans because lands are managed within the claim. Therefore, role of land claims and land use plans seems to be region specific. No one model will work.
  - Settled land claims bring more certainty to operating environment than land use planning because land use plans can change.
  - All land use plans are different. Need to get past controversy associated with some and move forward.
- **Land and water board restructuring and impact on regulatory certainty**
  - Land use plans provide some comfort but regions also want direct interaction with water licences and land use permits. Communities still need to be involved.
  - Centralization to Yellowknife won't solve all of the problems and may even slow regulatory system down, even if land claims settled and land use plans finalized.
  - Be careful what you wish for, because if regions have less control on development in their backyards, they will seek other remedies such as court actions. Need to work at local level to overcome this.



- The mining industry emphasized that regulatory reform is a tough issue and that it shares similar concerns about centralization, which were included in their comments to the federal government. Some changes are required but they cannot result in a lost connection with the communities.
- Federal government is on clear path to centralization. Therefore, everyone has to work together to help preserve the connection to communities to prevent increased slow down of the regulatory system.

#### **4.3 END OF DAY 1**

The first day of the Board Forum concluded at 3:30 pm to accommodate other meetings of some members.

#### **4.4 DAY 2 OPENING COMMENTS – GAÉTAN CARON, NEB**

At the start of the second day of the Board Forum, host Gaétan Caron (NEB), reviewed the highlights from the first day. Effective communication between boards, communities and industry is evident by the many areas in which there is agreement. This is important because it will foster confidence among northern communities that development is being regulated by competent northern regulators for the good of the people.

The agenda for Day 2 was adjusted so that more time could be spent in discussions with the youth representatives present at the Board Forum.

#### **4.5 PRESENTATIONS BY YOUTH – BALANCING DEVELOPMENT WITH ENVIRONMENTAL PROTECTION**

Brian Chambers introduced the two youth presenters who were brought to the Forum as part of the Communications Committee's efforts to increase engagement with youth. Amie Charlie is from Inuvik and is a second year business student at Trinity Western University. Allison Baetz is also from Inuvik and is a second year university student at Thompson Rivers University in Natural Resource Sciences. Both youth made presentations at the NEB Arctic Offshore Drilling Review round table in Inuvik that took place September 2011, and have previously presented to the Board Forum.

The youth presenters thanked the NEB for another opportunity to speak from their perspective.

##### **4.5.1 Amie Charlie, Trinity Western University**

- Developing the northern economy is important. The People need to benefit from a thriving economy and economic development in the Arctic and they must have employment to become a stronger people.
- With the right management of resources, mixed in with good business ethics from leaders, it is possible to have a thriving economy and protect the environment.
- Concerns with managing resources, and protecting the land and people include the potential for off shore drilling to potentially harm the Arctic environment because of

the response time and lack of resources to deal with a major spill. The Arctic ecosystem is so fragile and not diverse. If a spill were to occur, it would be catastrophic.

- Before off-shore drilling begins in the North, the NEB must without any uncertainty take the necessary steps and precautions needed to implement a strategic plan if a spill were to occur.
- Can look to the spill in the Gulf of Mexico. It took 111 days to deal with that spill. There is still around one hundred miles of coastline to clean up. An article dated August 13, 2013 that described the long term effects that people are experiencing to this day as a result of the spill in the Gulf stated, "The response should end when conditions on the ground dictate such actions. We're not anywhere close right now".
- Take into consideration when contemplating the possibility of a spill that the Gulf of Mexico has a much warmer climate than in the Arctic. Biodegradation of the oil in that particular climate is possible because of the wind, sun, and microscopic organisms. The Arctic doesn't have that variation of conditions.
- Canada also doesn't have the same resources as the Americans did to clean up a major spill who had thousands of ships. It would definitely take a lot longer than 111 days to clean up a spill in the Arctic and there would be long lasting effects on the environment. Tar balls are still washing up on the beaches of Gulf Shores, Alabama.
- My parents and grandparents made it their priority to teach me the value of the land and to respect the land and they instilled in me traditional values. Saving that way of life for future generations is very important.
- Development must be embraced in the North because revenue is needed. In recognizing this, the beautiful and pristine wilderness in the north cannot be dismissed. Therefore, we must:
  - take preventative measures against having oil spills
  - regulate the extraction and production of oil and gas
  - constantly be monitoring the actions of the many businesses and corporations involved.
  - have the proper clean up procedures in place, and ready to implement as soon as possible, so that it will limit the extent of the spill's effects on the environment.
  - have proper oversight of the operation in place, and that there are safe working conditions for the people working there.
- As stated by Chief Seattle, "We do not inherit the earth from our ancestors; we borrow it from our children". The quote is quite piercing because it shows the effect of our ancestors' actions on our current situation and it also serves as a warning on our current actions' impact on our children.
- I plan on coming back home to bring the knowledge and skill sets I've learned as a business student at Trinity Western University into the marketplace, and help create a stronger economy for the North and its people. It's not all about the money, it's about the people.

#### 4.5.2 Allison Baetz, Thompson Rivers University

- Development can affect everything in the North.
- Getting today's youth to voice their concerns on issues is very important.
- Conservation versus protection
  - conservation is the process of conserving and/or saving a particular environment, or repairing an element that has been disturbed within an ecosystem
  - Protection is the steps taken to procure the safety of the environment and ensure its stable future.
  - One of the terms may allow the wise use of a resource while the other may not at all.
- Living in the North most definitely has its benefits.
  - There is a lot of employment for all people, not just locals.
  - Northern development brings a higher population to communities that are in the process of developing their area, and with that can come more community services which can lead to more independent communities.
- There can be negative side effects to developments. More thought needs to be given on how to ensure that economic benefits remain greater than the impacts to the environment and to the culture.
- Balancing development is not the easiest thing to do, but it is a challenge that must be a priority when thinking about drilling in the Beaufort Sea, building roads and power lines, or even mining.
- Most of the time we don't think about what will be left in the environment after development is done or its future impacts. In many situations, the damage has been done but we can learn from these experiences and let them guide us in a better direction.
- Development affects youth because it provides job opportunities for people within the community; and helps strengthen independence within communities because there's more money available to support the local stores and service providers.
- Development affects our elders and those who have trap lines or hunt in an area where development may occur because habitat can be taken away. Trapping, especially when fur prices are good, helps with financial issues. What are we going to do if we take trapping away? How are we going compensate the thousands of dollars of income they would lose?
- Conservation itself is the balance between development and protection.
- My family's cabin is about a 2 hour snowmobile drive from Inuvik and is where my family and other families go to enjoy the land. The wise use of the land in and around that area is very important to both me and the others families who spend time there. Development might make it easier for us to get out to our cabin but that cuts away from the whole experience of snowmobiling 50km out of town.
- Every time I go to the cabin, I learn something new about the land and about our culture. I want to take my kids to the cabin one day and teach them and share with them the same experiences they don't get taught in school. This will not happen if the land is damaged or disturbed by a pipeline or a mine.

- There is appeal in developing as many resources as fast as possible, especially in this day and age when the competition and market is larger than it has ever been. This can cause environmental decisions to be made in a rush without full knowledge of the repercussions that may arise. If development was slowed to a more manageable pace, the extra time could be used to develop sustainable jobs and action plans.
- An article in a National Geographic Magazine called “The New Oil Landscape” showed a map of North Dakota and all of the wells there. One way for the Sahtú to avoid becoming like North Dakota is by simply taking more time to think about what we are doing. The more thought out it can be, the more we will be able to conserve our environment. A job worth doing is a job worth doing well, and that is something we need to teach the future generations.
- My goal is not to stop production or halt progression, but rather to work towards finding the most sensitive and just route to success while working with the environment. The most effective way is to use the knowledge from my post secondary education to teach future generations and to aid them in their efforts to maintain and execute the environmental and cultural goals we are working towards today.

#### **Discussion:**

Participants in the Board Forum praised the leadership demonstrated by the youth and their grasp of the complicated issues around balancing development and the environment. Being able to understand aboriginal ways and western ways and bring them together is a way to be “strong like two people”. The youth were thanked for reminding participants about the reasons why they are involved in resource management and for cutting through to the real issues. Forum participants also acknowledged the success of the northern education system as demonstrated by the youth giving presentations.

Heather Bourassa was asked to speak about the Sahtú Land Use Plan:

- Important for people to continue land claim implementation, including land use planning
- Need collaboration between residents, NGOs, governments and industry
- Land use planning is fluid and the plan allows for things to change
- It is good to hear that the youth want to return home after getting their education.

A number of specific questions were directed at the youth:

- **What types of things inspired you to get involved?**
  - Parents and their love for the environment and people
  - Learning traditional values from grandparents
  - Opportunities given in high school such as being on board the CCGS Amundsen
  - NEB support for youth
  - Being exposed to issues early in life by parents and in school
  - Watching their fathers at work
- **What are your specific thoughts about the current pace of development?**
  - Reasonable pace for now

- Pace must accommodate need for openness and for everyone to be fully informed. Once that is achieved, then can proceed with development.
  - Must tap into elder wisdom and need youth to participate.
- **How can Traditional Knowledge be brought forward and used in decision making?**
  - Need to take time to personally connect with people by going out on the land with elders, youth and others and by sharing meals with them. Where people come from must be understood.
- **How do you share your knowledge and experiences with people from the south and with other northern youth?**
  - Lots of people in BC are not exposed to the same kinds of things that northern kids are. Southern kids also don't understand why northern students get their education paid for.
  - Knowledge is shared when there is an opportunity to ask and answer questions and share their experiences.
  - Parents and post-secondary students from the north must encourage others to go to school.
- **Students still need to go south for post-secondary education. Would it be easier to go to school if there was a university in the north?**
  - Going to a school in the north would have been easier but then students would miss out on new perspectives
  - Going to school in the south helps southern students to understand the north
  - It would be helpful to have a northern post-secondary school that feeds into the programs of southern schools. This way youth could transition in steps.
  - Co-op programs in the north are important for northern students but southern students should also participate to help spread awareness about the north.
- Sustainability work is very tough because many things have to be integrated together including social, economic and environmental factors. **How do you organize youth to get involved in such complicated and not-easily defined issues? How do you get youth that are not leaders to get involved?**
  - People who are not leaders are still important because they support leaders
  - Need to meet youth where they are such as in schools.
  - Could start clubs at schools that focus on sustainability to broaden views, share knowledge and help youth to find a passion.
  - Give youth opportunities to participate. Examples are youth parliament, speak at conferences and forums like this one, participate in renewable resources boards meetings

**Action Items:**

- i. **More youth observers are to be invited to the next Board Forum meeting.**

#### **4.6 IMPLEMENTING THE ACTION PLAN TO IMPROVE NORTHERN REGULATORY REGIMES AND NWT FINAL DEVOLUTION AGREEMENT – STEPHEN TRAYNOR, AANDC**

In his new role, Stephen Traynor is focusing on implementation and is on the ground to ensure a smooth transition as the changes come into force.

- Boards, through the regulatory improvement working groups, started down the path of regulatory improvement with the auditor general, and Chief Federal Negotiator (CFN) Neil McCrank and John Pollard adding to regulatory improvements.
- Regulatory improvement started in 2010 but it takes a long time to ensure it is done right.
- Status and next steps
  - Given the scope of changes, work has already commenced:
    - Initial bill proposing amendments to MVRMA shared with stakeholders for comment and consultation in May 2013 and August 2013.
    - Departmental staff will continue to share detailed information on proposed changes.
    - Communications and consultations will be ongoing throughout the process including attending forums such as these with the boards.
  - Canada will continue to move forward with changes to the Northern regulatory regime in order to foster a more conducive environment for developing the resource economy.
- What has occurred since the last meeting?
  - The NWT Devolution Agreement has been signed.
  - MVLWB/AANDC "Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the NWT" has been released.
  - Sahtú Land Use plan approved.
  - Several major EA's and Water Licenses issued.
  - NWT minerals strategy.
- What is the proposed regulatory framework under development and to be implemented in the coming months?
  - Convergence of the implementation of the NWT Devolution final agreement and the Action Plan to Improve Northern Regulatory Regimes.
  - DFA chapter 3 implemented by April 1, 2014 (Legislation, Regulations, OiC's, Delegations and MoU's).
  - Operational transfers of dispositions and records including notifications
  - Action Plan changes (timelines, board restructuring, policy direction) will have varied coming-into-force dates.
  - AANDC will work with GNWT, aboriginal organizations, OGDs, Boards, Industry to clarify and manage the change agenda.
- What is being changed as part of the NWT Devolution and NRII Implementation?
  - Twenty-seven major Acts and Regulations are proposed to be amended and remain Federal (e.g., MVRMA).
  - Other Acts and Regulations are proposed to be mirrored and become Territorial Legislation.

- To manage the Territorial responsibilities identified in the NWT Devolution Final Agreement, a delegation instrument is being proposed.
- Short timeframe to manage authorities approvals through House of Commons, Treasury Board, Minister's Office and NWT Legislature.
- Sequencing will be critical.
- All stakeholders need to understand roles and responsibilities and how to communicate them effectively because boards and governments have to work together to communicate new process and other changes to the public.
- What are the major activities to be considered over the coming months and years?
  - File transfers and information exchanges with Federal and Territorial governments.
  - Management of financial securities.
  - Management of projects in process.
  - Understanding and re-alignment of processes and decision-making authorities. Need to understand sequencing and how this translates on the ground for governments and boards.
- Timing of changes will be principally in two major phases:
  - Phase 1 - Pre April 1
    - Royal Assent of Legislation.
    - Territorial Legislation, OiC's and Coming Into Force on April 1<sup>st</sup>.
    - Regulations currently in process, including TLUR, quarry and mining regulations, are mirrored in the GNWT framework.
  - Phase 2 – Post April 1
    - OiC's for coming into force. Act provides authority then need to work on regulations.
    - OiC's for Regulations (e.g., cost recovery regulations).
  - Only four months away; therefore need to focus efforts on management of Devolution and phase 1 at this time.
- What are the next steps in support of economic certainty through transition?
  - Boards, AANDC, NEB, CanNor and GNWT continue to manage projects during this period of transition.
  - AANDC and GNWT to continue to communicate on the legislative, regulatory and OIC initiatives.
  - There are various intergovernmental working groups and AANDC proposes to create another one called the Resource Management Implementation working group to manage the detailed requirements of transition.
    - Suggest focus group of Land and Water Boards, EA Board, NEB and GNWT
    - Propose monthly teleconference/meeting or more if needed to provide information on the status of OiCs, regulations and legislation and to discuss on the ground operational issues
    - Proposed start would be after NRII and Devolution Legislation Introduced
  - AANDC also proposes that the Board Forum be reviewed early in the fiscal year to better reflect the new NWT Regulatory Environment

**Discussion:**

- **When will the NRII legislation be introduced?**
  - Not yet known as it is the decision of the Minister.
- **What are the federal government's expected outcomes and positive benefits of restructuring?**
  - Regional input into board decision making will continue
  - Efficiencies realized because expertise will be collected, stabilized and managed consistently across NWT
- **What is AANDC's reaction to the first nations and the Mining Association of Canada's comments about the centralization of the land and water boards?**
  - CFN Pollard held bilateral meetings to figure out what needs to be done and is continuing working with these groups on implementation.
- **How have the expressions of non-support from multiple claimant groups affected the NRII? How is AANDC going to manage change with claimant groups?**
  - CFN Pollard has been in discussions for a while this first nations and have tried to accommodate
  - The NWT has good geology but there is not a lot of investment money available. Therefore, need to make sure the regulatory system works to provide industry with more certainty and encourage development in the NWT.
  - Set timelines combined with Devolution will position NWT to compete nationally and internationally.
- **Timing of the Resource Management Implementation working group –** Support for working group was expressed but timing is critical. Start up should occur early but at a time when AANDC is in a position to share information. People are too busy to hear "we can't tell you yet".
  - AANDC agrees and this is why it was proposed to start up the working group after the NRII and Devolution legislation was introduced.
  - Could start thinking about the road map for the working group including core and ancillary participants, objectives, priorities and functioning. Critical path exercise to be completed.
- **Implementation of the NRII**
  - Working group will be in the region, not Ottawa.
  - Conversations need to be less bureaucratic and more functional/operational in nature. For example, how are regional files going to be transitioned to centralized board?
  - AANDC is concerned with efficiencies but land and water boards are not able to discuss changes with clients. This is significant because clients have a longer planning cycle which needs to be considered in implementation.
  - Could start thinking about the road map for the working group including core and ancillary participants, objectives and functioning. Critical path exercise to be completed.
- AANDC encouraged comments on the NRII which were provided by many groups. **What happened to those comments? Will responses be provided?**



- Consultation requires that accommodations be made where possible and that responses be provided. At this time, comments are being reviewed and discussed. Compiled responses will be provided once legislation is passed.

**Action Item:**

- i. **AANDC to initiate discussions on the plan (core and ancillary participants; objectives; priorities; functioning) for the Resource Management Implementation Working Group and to complete a critical path exercise with the GNWT and boards.**

**4.7 MVEIRB STAFF CHANGES— RICHARD EDJERICON, WILLARD HAGEN AND GAÉTAN CARON**

Vern Christensen's dedication as Executive Director of MVEIRB was acknowledged and best wishes were provided as he retires from the position (effective March 2014). Mark Cliffe-Phillips was welcomed as the new Executive Director of MVEIRB (effective following Vern's retirement).

**4.8 FURTHER UPDATES BY THE TRAINING COMMITTEE — BOB SIMPSON**

- RFP for the Renewable Resources Management Course being developed and will be available for comment in December 2013.
- GNWT will use one-time transition funding to distribute TOC for on-line orientation course to ensure appropriate and complete coverage of topic areas. News legislation will need to be reviewed to make sure that it is captured properly.

**4.9 NEB BOARD MEMBER UPDATE — GAÉTAN CARON, NEB**

New NEB board members were introduced.

**4.10 GNWT BOARD FORUM PRESENTATION — ADM SHALEEN WOODWARD, DMD MARK WARREN, ADM RAY CASE AND ADM DEB ARCHIBALD, GNWT**

Introductions to the panel kicked off the presentation:

- Shaleen Woodward, Assistant Deputy Minister, Devolution Implementation Planning
- Mark Warren, Deputy Minister Designate, new Department of Lands
- Ray Case, Assistant Deputy Minister, Corporate and Strategic Planning, Department of Environment and Natural Resources
- Deb Archibald, Assistant Deputy Minister, Devolution Implementation, Department of Industry, Tourism and Investment

**Presentation Summary**

- Devolution
  - A transfer of responsibility from the federal government to a provincial or territorial government

- Education, health care, social services, highways, forestry management and airport administration transferred since 1967
  - The *Northwest Territories Lands and Resources Devolution Agreement* signed on June 25, 2013 which addresses public land, water and resource management.
- Devolution Implementation – Supporting Devolution
  - Implementation planning began in 2011.
  - Discussions with the Yukon Government were held to learn from their experience.
  - GNWT wide project involving a broad range of departments – a number of working groups have been set up with overlapping membership to facilitate information sharing.
  - Process overseen by a Deputy Ministers Steering Committee.
  - Participating Aboriginal Governments are members of the Implementation Planning Committee which tracks progress and makes sure implementation stays on track.
  - Dedicated funding provided through the Devolution Agreement.
- GNWT Priorities - Supporting Regulatory Integration
  - Address the inherent complexities, knowns and unknowns of implementation
    - Necessary blocks are being put in place so that the GNWT can be engaged in the working group proposed by AANDC and provide specific functional information to the boards.
  - Identify solutions required short term and determine issues that can evolve post Devolution
    - Priorities are established in discussion with departments and legislative assembly
  - Coordinate with Canada and the Boards to ensure that regulatory integration occurs
  - Be ready on April 1, 2014
- Legislation
  - Approximately 27 federal acts and regulations will be mirrored as Territorial legislation to implement the transfer of land, water and resource management authorities
    - Three bills that are not affected by the NRII have been introduced including the *Surface Rights Board Act*, *Archaeological Sites Act*, and *Reindeer Act*.
  - Canada will repeal or amend federal legislation and post Devolution new Territorial legislation may be amended by the Legislative Assembly
- Mirror Legislation
  - New Territorial Legislation
    - *Waters Act*
    - *Northwest Territories Lands Act*
    - *Oil and Gas Operations Act*
    - *Petroleum Resources Act*
    - *Surface Rights Board Act*
    - *Archaeological Sites Act and Regulations*

- *Reindeer Act and Regulations*
  - Federal Legislation (repealed or amended)
    - *Northwest Territories Waters Act*
    - *Territorial Lands Act*
    - *Canada Oil and Gas Operations Act* – not repealed because applicable to other GoC responsibilities.
    - *Canada Petroleum Resources Act*
    - *Northwest Territories Surface Rights Board Act*
    - *Northwest Territories Act – Archaeological Regulations;*
    - *Northwest Territories Act – Reindeer Regulations*
- Beyond Mirroring: MVRMA
  - MVRMA will remain federal, but many decisions and functions under the Act will become GNWT responsibilities.
  - There will be a review of the provisions of the Devolution Agreement related to the MVRMA in 5 years. The MVRMA itself will not be reviewed; rather, the review will look at the relationship of the MVRMA and the transfer of authority under Devolution.
- Legislative Assembly – Status of Bills
  - *Archaeological Sites Act, Reindeer Act and Surface Rights Board Act* have received second readings in the Legislative Assembly and been referred to committee
  - Remaining Acts to be introduced in the Legislative Assembly when it resumes sitting in February 2014 to meet the April 1<sup>st</sup> target.
- GNWT Organizational Structures Post-Devolution
  - Phase 1 – High Level Org Design completed Fall 2012
    - Developed internally primarily through discussions at the DM and ADM level
  - Phase 2 – Detailed Org Design announced October 2013
    - Information is available on the GNWT website
    - Coincided with job offers to affected GoC staff
  - New functions for some Departments
  - New Department of Lands
  - Structure comes into effect April 1, 2014 but will need time for budget approval, establishment of departments, staffing and development of policies.
- Devolution of Employees - Total of 259 positions
  - Approximately half of positions created to transition AANDC employees to the GNWT
  - Positions created to replicate duties currently done in Ottawa – only NWT based GoC staff offered positions, not staff based in Ottawa
  - Existing GNWT positions that change in scope or role (e.g., Deputy Minister of Lands)
- Resource Management – Three GNWT Departments will be involved including Lands (new department), ENR and ITI
- Department of Lands

- The proposed Mandate of the Department of Lands is *to support, manage and administer the sustainable use of public lands in the NWT*. Remains proposed until established by Cabinet.
- Land Management and Administration is a core public good and critical asset that needs to be effectively and efficiently managed
  - Consistent with principles of the Land Use Sustainability Framework
  - Land provides for ecological, spiritual, cultural, recreational and economic goods and services
  - Land is a predominant and key driver of the NWT economy which is a principle reflected in the new organizational structure
- Department of Lands Organizational Structure
  - The Deputy Minister will be supported by four senior positions including:
    - Director of Finance and Administration
    - Assistant Deputy Minister Planning and Coordination, who will be supported by:
      - Director Policy, Legislation and Communications
      - Director Land Use and Sustainability, a new “piece” in the organization structure that will be responsible for coordination of all Responsible Ministers functions during project assessment
    - Executive Director SSC Informatics
      - Informatics currently within ENR but will move to Lands to support the various systems transitioning over from AANDC.
      - Support to Boards will be enhanced because of increased graphic information analysis capabilities
    - Assistant Deputy Minister Operations, who will be supported by:
      - five regional superintendents for the North Slave, Dehcho, South Slave, Sahtú and Beaufort Delta
      - Director, Lands Administration who will be responsible for inspections, securities and providing advice during permitting processes
      - System navigator (3 year term)
- Department of Environment and Natural Resources
  - The mandate of ENR will remain unchanged and is *to promote and support the sustainable use and development of natural resources to protect, conserve and enhance the Northwest Territories environment for the social and economic benefit of all residents*
  - Water will become a component of the environment managed by ENR.
- ENR Organizational Structure
  - The Deputy Minister will be supported by four senior positions:
    - Departmental Devolution Lead who in turn will be supported by a Devolution Environmental Policy Advisor
    - Assistant Deputy Minister Operations, who will in turn be supported by:
      - Five regional superintendents for the North Slave, Dehcho, South Slave, Sahtú and Inuvik.
      - ~ Current structure will remain in place with the addition of Water Resources Officers at each of the regional offices.

- ~ Environmental protection officers and resource management officers will support new legislative mandate.
  - Director, Forest Management
  - Director, Wildlife
  - Head, Field Support Unit
- Assistant Deputy Minister Corporate and Strategic Planning, who in turn will be supported by:
  - Director, Conservation, Assessment and Monitoring – mandate will include Protected Areas Strategy functions, CIMP, audit functions
  - Director, Environment – mandate will include contaminated sites
  - Director, Water Resources
  - Director, Policy and Strategic Planning
- Director, Finance and Administration, who in turn will be supported by:
  - Manager, Financial Planning
  - Manager, Corporate Services
  - The Executive Director of the NWT Water Board will have an administrative reporting relationship to the Director, Finance and Administration
- Department of Industry Tourism and Investment (ITI)
  - Mandate is to *promote economic self-sufficiency through the responsible management and development of NWT's mineral and petroleum resources, domestic energy sources and natural resource industries, including agriculture, commercial fishing and the traditional economy; and the promotion and support of tourism, trade and investment, business, and manufacturing and secondary industries, to create a prosperous, diverse and sustainable economy for the benefit of all Northwest Territories residents.*
  - ITI will receive responsibility for mineral and petroleum resources
- ITI Organizational Structure
  - The Deputy Minister will be supported by six senior positions:
    - Director Energy Policy and Planning – little change from current mandate
    - Assistant Deputy Minister Economic Development – mandate includes fisheries and traditional economy. The ADM will be supported by:
      - ~ five regional superintendents for the North Slave, Dehcho, South Slave, Sahtú and Inuvik
      - ~ Director Tourism and Parks
      - ~ Director Investment and Economic Analysis
    - Director Diamond Secondary Industry – This is a new department created as part of Devolution.
    - Assistant Deputy Minister Mineral and Petroleum Resources – this is a new department created as part of Devolution and will be led by the following senior personnel:
      - ~ Director Mineral Resources – Mandate will include rights management and will house the Mining Records Office
      - ~ Director NWT Geoscience Office – physical location will remain the same

- ~ Director Financial Analysis and Royalty Administration
- ~ Director Petroleum Resources – Will be located in Inuvik and staffed prior to April 1.
- ~ Director Mackenzie Valley Petroleum Planning Office – Physical location will remain in Hay River and will coordinate GNWT involvement
- ~ Manager Client Service and Aboriginal Relations – Responsibilities will include providing information on who to talk to and when; supporting S. 35 consultation as it pertains to rights issuances (e.g., prospecting permits)
- ~ Manager Industrial Initiatives – Responsibilities will include supporting socioeconomic agreement negotiations and the implementation of existing agreements (diamond mines and Mackenzie Gas Project)
  - Director Policy, Legislation and Communications
  - Director, Finance and Administration
- Resource Management – Lands: After April 1, 2014, the GNWT will have administration and control over public lands, subject to land claims and retained federal authorities (NWT Act). GNWT's new roles include:
  - *Lands Manager* - Majority of public lands in the NWT will be managed by the GNWT (sales, withdrawals, leasing etc.)
  - *Surface Rights* - The GNWT will assume administration of the mirrored Surface Rights Board Act
  - *Royalty Manager* - Quarrying
  - Across the Northwest Territories, the GNWT will be *Technical Advisor to Boards* where developments occur or impact public lands (regulatory processes and Environmental Assessment).
  - Within the Mackenzie Valley, the GNWT will be the *Responsible Minister and Decision Maker (Environmental Assessment)* – Former role as Responsible Minister will expand significantly due to new authorities over lands and water.
  - Within the Inuvialuit Settlement Region, the GNWT will be:
    - *Regulator and Issuer* of land use permitting on public lands
    - *Decision Maker* (Inuvialuit Final Agreement Environmental Assessments).
  - *Security Holder and Manager* (e.g. leases and land use permitting)- work closely with ITI and ENR.
  - *Inspections and enforcement* of land use on public lands (e.g. leasing and land use permitting) – Creating a centre of excellence of inspection by integrating the inspection functions through cross appointments; will include MACA inspection functions.
  - *Archaeological Sites*
    - managed by Minister of Education Culture & Employment under the *Archaeological Sites Act*.
    - coordinated with Lands inspectors and Boards under the *Mackenzie Valley Land Use Regulations*.
  - *Policy development* for public lands

- The new Department of Lands will:
  - Oversee new roles and responsibilities under new *Northwest Territories Lands Act* and MVRMA
  - Reconcile existing responsibilities regarding administration of Commissioners Lands
  - Maintain two separate land administration systems (Commissioners Act and TLUR) on an interim basis, similar to the Yukon post Devolution
  - Coordinate with other departments (e.g. inspections and enforcement, security holdings)
  - Coordinate with other land administrators and regulators (e.g. inspections)
  - Coordinate GNWT role in regulatory processes and Environmental Assessment
  - Coordinate GNWT role in development, approval and review of regional land use plans pursuant to Aboriginal land, resources and self-government agreements, and land use planning initiatives. Dedicated staff will be established.
- Resource Management – Waters: After April 1, 2014, the GNWT will have authority over rights in respect of waters, subject to land claims and retained federal authorities (*NWT Act*).
  - *Water Authority and Administration* – GNWT will have authority over waters under the new territorial *Waters Act*. However, Boards will continue to manage and issue water licenses because of the legislative mirroring process.
  - *Technical Advisor to Boards* where developments occur on or impact public lands and water (regulatory processes and EA)
  - *Mackenzie Valley: Responsible Minister and Decision Maker (EA)* Current role as a Responsible Minister will expand significantly due to new authorities over lands and water. Responsibilities will include recommending securities to land and water board.
  - *Security Holder and Manager* for water licenses
  - *Inspections and enforcement* of water use and deposit of waste regarding activities and developments on or which impact public lands and waters
  - *Policy Development* for waters
  - In the ISR, GNWT will be:
    - *Regulator* – Board in ISR will issue water licenses
    - *Decision Maker* – Inuvialuit Final Agreement Environmental Assessments
- ENR will:
  - Oversee new roles and responsibilities under new *Waters Act* and MVRMA
  - Reconcile existing mandate and legislation that is the responsibility of ENR
  - Coordinate with GNWT departments:
    - Regulatory processes and Environmental Assessment – technical advice and decision making
    - security holdings
    - inspections and enforcement
  - Coordinate with other water administrators and regulators (e.g. inspections)
- Resource Management – Subsurface: After April 1, 2014, the GNWT will have administration and control over the subsurface – Oil & Gas, Mines & Minerals, Coal
  - Dredging also falls under ITI

- *Subsurface Manager* for majority of lands and subsurface in the NWT, in the onshore. Fee simple lands related to land claims will stay as they are now.
- *Regulator* and *Issuer* of Oil & Gas interests, Mines & Mineral interests and Coal interests (recording mineral claims; issuing prospectors permits and leases; cycle of rights issuance for oil and gas developments). The NEB will continue as a regulator in the ISR
- *Royalty Manager* for Oil and Gas, Mines and Minerals
- *Technical Advisor to Boards* where developments occur on or impact public lands and subsurface (regulatory processes and Environmental Assessment)
- *Security Holder and Manager* (e.g., oil and gas interests) – Oil and Gas Operators Act will be mirrored.
- *Inspections and enforcement* (e.g., oil and gas interests)
- *Policy development* for subsurface
- *In the Mackenzie Valley*, GNWT will be *the Responsible Minister* and *Decision Maker* (Environmental Assessment) - former role as Responsible Minister will expand significantly due to new authorities over lands and water but mandate not yet confirmed
- ITI will:
  - Oversee new roles and responsibilities, in the onshore, under *Petroleum Resources Act*, new *Oil and Gas Operations Act*, and new *NWT Lands Act regulations* relating to mines, minerals and coal
  - Reconcile existing mandate and legislation that is responsibility of ITI
  - Coordinate with other land administrators and regulators (e.g. inspections)
  - Coordinate with other GNWT departments for
    - regulatory processes and Environmental Assessment – technical advice and decision making
    - security holdings
    - inspections and enforcement
    - input into regulatory improvements
- Consultation
  - Consultation requirements continue under land claim agreements, legislation and the common law
  - The GNWT's approach to consultation will continue post Devolution considering its new responsibilities; increased consultation responsibilities are acknowledged
- Coordination
  - Coordination within GNWT, with Canada and Boards will be an integral component to ensuring a streamlined integrated regime
  - Coordination with Canada is on-going to distinguish roles and authorities while:
    - Federal legislation and mirrored Territorial legislation is being finalized for introduction to Parliament and the Legislative Assembly
    - Delegated authorities to the GNWT are being finalized
  - The GNWT is interested in discussing and determining priority issues with the Boards as legislation and delegations are confirmed
- Evolving the System – Intergovernmental Council



- A key feature of this Devolution is a commitment from the GNWT and Aboriginal governments to work cooperatively and collaboratively on land management
- To formalize government to government relationships on land management., the GNWT and Aboriginal parties have agreed to establish an Intergovernmental Council
- The IG Council will provide opportunity to discuss land and resource management in the NWT
- The Council will provide opportunity to work collaboratively on matters of common interest related to land and resource management
- The jurisdiction of each party will continue to be respected. However, the parties all recognize the benefits of cooperation and collaboration
- Moving forward, the Council provides potential for increased harmonization of laws and policies, and the sharing of capacity among northern governments.
- Transition Issues
  - Authorities/Delegations/Coordination - GNWT authority via legislation and delegation is being finalized
  - Projects
    - Existing projects and interests will continue post April 1, 2014
    - Transition coordination needed for projects under review on April 1, 2014
  - Inspections/Enforcement
    - Transition coordination with the Boards is needed
    - Pre and post Devolution priority setting with the Boards, the vehicle for which could be the working group proposed by AANDC.
  - Board Relations and Board Support (in a changing regime with changing board structures)
  - Regulatory independence and decision-making

#### Discussion:

- **To whom should the land and water board send water licenses for approval and what is the timing of the approval process?**
  - Determined by landownership. Exclusion of lands will be laid out in the Devolution Plan which will be available on April 1. For projects that cross zones, a coordinated approach will be taken.
- **All existing water licenses and land use permits need to be amended to refer to the correct minister. Has this been considered?**
  - Yes, licenses and permits will need to be changed.
- **Board Independence** – Many parties such as inspectors, AANDC and others currently provide advice to boards that is sometimes not accepted. This practice will continue; boards are independent.
- **Single point of contact for securities** – GNWT appears to be developing an organization structure similar to the one used by AANDC. A single point of contact for securities related topics for both permits and licenses would be helpful. GNWT

heard this issue from AANDC as well and agrees. The Department of Lands, through their overarching coordination role, will be that one point of contact.

- **Environmental Agreements** – Existing environmental agreements are undergoing a review to identify any changes that need to be made resulting from Devolution.
- **Land Use and Sustainability Framework** – Where is it at? An internal, high level document that lays out broad principles for land management as envisioned by the GNWT. Remains in draft form as additional engagement is required and some details need to be sorted out post Devolution.
- **Is the federal government going to share royalties received from development within the Norman Wells Proven Area?**
  - Federal government will regulate activities but royalties will go to the GNWT.
- The SLWB will be conducting a public hearing on April 1, 2014 and any issues resulting from the convergence of this process with the Devolution and NRII processes must be addressed as soon as possible.
- **Will the Mining Recorder's Office be open over Donny Days?**
  - Yes, for 2013, because transfer of authority occurs on April 1, 2014.
  - Services are evaluated to determine whether there is a requirement for continuous operation. If such a requirement exists, then staff would take Donny Days at a different time.
  - Future amendments to regulations will include blackout days for the submission of prospector permit applications.
- **Regulation of Oil and Gas Post Devolution**
  - Why are there different regulators for oil and gas in the ISR and the rest of the NWT?
    - Negotiated as part of Devolution. Addresses straddling issues resulting from NEB regulation of offshore oil and gas development. Rather than have two regulators in the ISR, one for onshore and one for offshore, the NEB will be the only oil and gas regulator for onshore and offshore developments in the ISR.
    - The GNWT recognizes that straddling issues also exist at the ISR boundary with the Mackenzie Valley but the on-shore/off-shore straddling issues within the ISR took precedence.
    - The GNWT will represent the Crown in the ISR and the NEB will be the regulator.
  - What will the NEB's role be after Devolution?
    - The NEB will continue to be the oil and gas regulator in the ISR and Norman Wells Proven Area, of offshore developments and the interprovincial pipeline; and in the excluded waste sites set out in the Devolution Agreement.
    - The GNWT will be the regulator in the Sahtú outside of the Norman Wells Proven Area.
  - The transition period will be a steep learning curve for the GNWT. How will the GNWT manage this?
    - GNWT will have two roles going forward: (i) regulator and decision maker, and (ii) technical advisor to regulatory processes.

- The NEB, GNWT and other stakeholders are committed to a seamless transfer of authority and will continue working together. A committee was established that meets on an annual basis to coordinate different pieces of rights issuances.
- The GNWT will seek advice and input from the NEB and the Alberta Energy Regulator but the GNWT will be the decision maker.
- SLWB and NEB have been travelling to communities to build trust and an understanding of the regulatory system and the mandates and responsibilities of the regulators. How will this initiative be maintained by the GNWT?
  - The legislation will be mirrored; therefore, many of the processes will be the same. Only the decision maker will be different.
  - Operational details continue to be discussed and the boards will be kept informed as much as possible to help them with communications
- **Resource Management Implementation working group** – AANDC's proposed Resource Management Implementation working group will be helpful in ensuring a seamless transition. The GNWT is looking forward to conversations about how to do this work and is almost in a position to provide the detailed information required to address the boards' operational level questions.

#### **4.11 BOARD ANALYSIS INITIATIVE – JESSICA GORDON, AANDC**

- Last November, Canada committed to undertaking a comprehensive analysis of NWT boards, especially in the areas of capacity and funding, to address the inflexibility of the current funding approach in meeting the boards' changing workloads.
- The analysis is to be completed before the renewal of board funding.
- Conference calls with treaty partners and boards have been held to discuss challenges and issues that exist, including funding models used by boards, their capacity to meet objectives, staff retention, and training opportunities for members and staff.
- Canada is currently compiling the feedback it has received through surveys that were distributed to boards in August and will be providing a response in the coming weeks to verify its understanding of the information.
- In December, a report will be shared with boards that will provide an overview of Canada's understanding of the issues raised over the last several months. It will present several potential options for addressing these issues and responding to challenges. Canada will be seeking feedback on this work.
- Upon completion of these two products and receipt of feedback from boards, Canada will work internally to implement possible solutions.
  - Some potential tools to address issues include (i) a 5 year flexible funding agreement that allows funds to be carried over between years; and (ii) a 10 year funding agreement with an implementation planning period.
- Monthly meetings with boards, including the one scheduled for December 3, will continue to keep the lines of communication open.
- Board Training
  - Access to training on specific skills was one topic that was raised numerous times by boards throughout the Board Analysis initiative.

- Boards are required to work closely with the federal government on funding and other matters which takes administrative and financial capacity. Therefore, training courses on various federal government processes could be useful for both boards' members and staff in learning how to efficiently navigate the federal system.
- The Canada School of Public Service had agreed to tailor several of its courses about the federal government processes to meet the boards' needs including:
  - How Ottawa Works: Provides an overview of the machinery of government to assist public servants in working more effectively within the federal system.
  - Government Planning, Budgeting, Reporting and Evaluation Cycle: Provides the fundamental knowledge needed to understand the financial management life cycle within the federal government.
  - Access to Information and Privacy in the Government of Canada: Provides an overview of the Access to Information and Privacy acts and the associated federal government responsibilities.
  - Managing Grants and Contributions: Provides an overview of how to design, administer and manage grants and contributions in the federal government context.
- Canada is open to discussing the Canada School of Public Service courses or any type of training that boards think may be useful to their members and staff. Talking with the Training Committee may be a good place to start.
- Agrees with the idea of co-op placements for students and is willing to talk about that with the boards.
- One option to consider is implementing a process like the one being used under Article 23 of the Nunavut Land Claim. GN, NTI and Canada employees rotate to get a better understanding of all three systems.

**Discussion:**

- **Will funding for hosting the Board Forum change with Devolution?**
  - Funding approaches are under review but funding relationships for boards in Mackenzie Valley will stay the same because the MVRMA remains federal legislation.
  - Funding for the NWT Water Board is part of the Devolution Agreement.
- **NWT Surface Rights Board**
  - Not yet set up because negotiations are ongoing but will be under the purview of the GNWT.
- **The MVLWB is not a claims board but could it be part of the funding review?**
  - AANDC will consider this.
- **The boards have provided a lot of input into funding needs. How do we know if our concerns are being heard?**
  - Comments have not been lost and information provided by the boards is being noticed. There are just a lot of parts and further discussions are required. One item being looked at is efficiencies of office space and lease arrangements

**Action Item:**

- i. **AANDC to consider including the MVLWB in the Board funding review.**

## **5.0 BOARD FORUM ADMINISTRATIVE MATTERS – Eric Yaxley, Board Relations Secretariat**

The Board Forum Terms of Reference (ToR) was discussed:

- Members reaffirmed the ToR and agreed to reconsider them at the November 2014 Board Forum meeting.
- The Governance Committee will review the ToR but all members are invited to provide comments.
- Going forward, members will need to monitor Devolution and legislative changes to keep Board Forum relevant and appropriate.

## **6.0 DATE AND LOCATION OF NEXT MEETING**

Tentatively, the next Board Forum will be held in either Norman Wells or Inuvik on June 3-4, 2014 but this needs to be confirmed once further discussions can be held with AANDC and the GNWT regarding financing for Board Forum activities.

**Action Item:**

- i. **GNWT to follow up with MVEIRB and MVLWB Executive Directors regarding Board Forum funding activities.**

## **7.0 CLOSING REMARKS**

Gaétan Caron thanked everyone for their participation, presentations, and collaboration. He noted that this was the largest Board Forum meeting ever, and emphasized that its success over the past three days (including the knowledge gained by Board Forum members during the pre-forum hydraulic fracturing tour) points to the importance of continuing the Board Forum post April 1, 2014 as a vehicle for knowledge sharing among NWT resource management boards and continuous regulatory improvement in the Northwest Territories.

## **8.0 ACTION ITEMS**

**General:**

- NEB to provide an update on the timeline for completion of the draft financial responsibility guidelines.
- NEB to clarify whether environmental monitors will be a requirement of operations in the Sahtú.
- AANDC to consider including the MVLWB the board funding review.

- AANDC to initiate discussions on the plan (core and ancillary participants; objectives; priorities; functioning) for the Resource Management Implementation Working Group and to complete a critical path exercise with the GNWT and boards.

**Governance:**

- Board Forum members reaffirmed the Board Forum ToR and agreed to reconsider them at the November 2014 meeting.
- GNWT to follow up with MVEIRB and MVLWB Executive Directors regarding Board Forum funding.

**Communications:**

- Development of a one-page brief on the role and function of the NWT Board Forum for use as an addendum to future correspondence.
- More youth observers are to be invited to the next Board Forum meeting.

# **APPENDIX A**

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## **Meeting Agenda**





**Draft Agenda**  
**NWT Board Forum**  
**Hearing Room, 2<sup>nd</sup> Floor, National Energy Board**  
**444 7<sup>th</sup> Avenue SW, Calgary, AB**  
**November 27 – 28, 2013**

**November 26**

8:30 – 5:00     *Pre-meeting offsite hydraulic fracturing site operation tour – for details on logistics see page three of the Agenda*

**November 27**

8:30             Arrival – coffee and muffins

9:00             Opening Prayer  
Welcome and Introduction – Host Chair, Gaétan Caron, National Energy Board  
Introduction – Facilitator Shelagh Montgomery, SENES Consultants

9:15             Brief Committee Update Reports

- Governance Committee: Willard Hagen and Richard Edjericon, Co-Chairs
- Training Committee: Bob Simpson, Chair
- Outreach and Communications Committee: Violet Camsell-Blondin, Chair

9:30             Hydraulic Fracturing Discussion

- Follow up from pre-forum site visit (9:30 – 9:45) – Brian Chambers, NEB
- Overview of NEB hydraulic fracturing filing requirements (9:45 – 10:15) – Bharat Dixit, NEB

10:15           Health Break

10:30           Continued – Hydraulic Fracturing Discussion

- Update on GNWT hydraulic fracturing guidance document (10:30 – 11:00)
- Overview of CAPP's hydraulic fracturing guiding principles (David Collyer, President, Alex Ferguson, VP and David Pryce, VP) (11:00 – 11:30)
- Discussion on continuing community engagement (11:30 – 12:00)

12:00           Lunch (provided)

1:00             Mining and sustainability – MAC (Pierre Gratton, President and CEO and Rick Meyers, Vice President, Technical and Northern Affairs) & PDAC (Ross Gallinger, Executive Director and Vida Ramin, Program Director of Lands and Regulations)

3:15             Health Break

3:30             Caucus or Governance, Training and Outreach Committee Meetings Option

6:00 pm        Dinner and Networking #1 Canadian Legion - 116 7th Avenue SE Calgary

**Draft Agenda**  
**NWT Board Forum**  
**Hearing Room, 2<sup>nd</sup> Floor, National Energy Board**  
**444 7<sup>th</sup> Avenue SW, Calgary, AB**  
**November 27 – 28, 2013**

**November 28**

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|-------|--|
| 8:30  | Arrival – coffee and muffins   |
| 9:00  | Highlights from previous day – Host Chair, Gaétan Caron, NEB   |
| 9:15  | Presentation from Youth participants - Amy Charlie and Allison Baetz   |
| 9:45  | Update on Regulatory Improvement and legislative changes – Stephen Traynor, AANDC  |
| 10:15 | Health Break   |
| 10:30 | Devolution Implementation and Boards – GNWT Details to be provided   |
| 12:00 | Lunch (provided)   |
| 1:15  | Devolution Discussion continued - Implementation and Boards  |
| 2:45  | Board Funding Models and Implementation Update – Jessica Gordon, AANDC   |
| 3:15  | Health Break   |
| 3:30  | Housekeeping issues – Facilitation Services, NWT Board Forum and Board Relations<br>Secretariat Terms of Reference – Eric Yaxley |
| 3:45  | Location of next meeting & Host Board  |
| 4:00  | Closing remarks – Host Chair, Gaétan Caron, NEB  |

**Draft Agenda**  
**NWT Board Forum**  
**Hearing Room, 2<sup>nd</sup> Floor, National Energy Board**  
**444 7<sup>th</sup> Avenue SW, Calgary, AB**  
**November 27 – 28, 2013**

**Logistics:**

**Accommodation:**

A block of rooms at the International Hotel in Calgary has been reserved for the NWT Board Forum. Please quote the group code **National Energy Board 440373**. This block of rooms is being held until November 4<sup>th</sup>. **Note:** those participating in the Hydraulic Fracturing field trip on the 26<sup>th</sup> are strongly advised to stay at the International Hotel (see below). Also, the International Hotel has indoor access to the National Energy Board (venue for the NWT Board Forum) via the Plus 15 walkway system.

**Field Trip Hydraulic Fracturing Operation – November 26<sup>th</sup>, 2013:**

- Field Trip participation is limited to 30 participants, on a first come-first served registration basis
- All participants must register in advance by contacting Brian Chambers at [brian.chambers@neb-one.gc.ca](mailto:brian.chambers@neb-one.gc.ca) or Yolande Chapman at [yolande.chapman@aandc-aadnc.gc.ca](mailto:yolande.chapman@aandc-aadnc.gc.ca)
- Bus Departs International Hotel November 26<sup>th</sup> at 8:30 a.m. and returns at 5 p.m.
- Box lunches and refreshments will be provided to participants (participants may choose to bring additional bottled water)
- Personal Protective Equipment (PPE) will be provided, (coveralls, hardhat, safety glasses). A limited supply of safety boots is available to participants. Those who own safety boots are asked to bring them to Calgary.
- To facilitate proper sizing of PPE, please provide coverall size (S, M, L, XL) and boot size if necessary, when registering for the field trip.
- PPE will be available from Brian Chambers at the International Hotel on Monday, November 25<sup>th</sup>, and prior to departure on the 26<sup>th</sup>. To avoid unnecessary delays in departing on November 26<sup>th</sup>, participants are strongly advised to obtain their PPE from Brian on the 25<sup>th</sup>.



# **APPENDIX B**

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## **Presentations**





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## Command Centre and Monitoring Equipment

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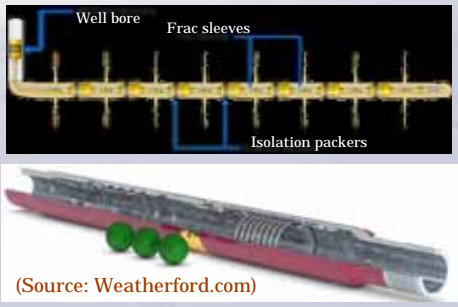
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## Ball drop and sliding sleeve



(Source: Weatherford.com)

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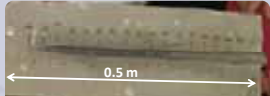
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# Filing Requirements for Onshore Drilling Operations Involving Hydraulic Fracturing

Bharat Dixit  
 National Energy Board  
 Northwest Territories Board Forum  
 Wednesday 27 November 2013  
 Calgary, Alberta




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
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# Outline

- Hydraulic Fracturing
- Regulating Hydraulic Fracturing
- Community Engagement & Information Sessions
- Key Concerns
- Filing Requirements




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
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# Hydraulic Fracturing

- Breaking up rock by injection of high pressure fluids
- 1<sup>st</sup> documented in 1947
- Modern practices since ~ 2007
  - Horizontal legs up to 2km long
  - Multiple (~10 to 40) stages
  - High pressures
  - Large volumes of water at high rate


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## Hydraulic Fracturing

Drilling and horizontal multi-stage hydraulic fracturing logistics (Horn river)

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## Community Engagement

Sahtu Settlement Area

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## Key Concerns

- Water
  - Surface water and groundwater contamination
    - Water quality and quantity
    - Amount of water used for hydraulic fracturing
    - Spills of fracture fluids or flowback fluids
  - Composition of fracturing fluids and additives used
  - Water, drilling, cuttings, and waste management

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






















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## Key Concerns

- Land
  - Degradation of permafrost
  - Well pad and infrastructure footprint
  - Hydraulic fracturing-induced earthquakes
- Air
  - Air emissions (flaring and venting)
- Adequacy of regulatory oversight

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## Filing Requirements



- Released 12 September 2013
- NEB's expectation of information to be filed by an applicant for onshore drilling activities involving hydraulic fracturing

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

























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## Filing Requirements

- General requirements:
  - Management systems
  - Safety plan and environmental protection plan
  - Confirmation that a Benefits Plan has been approved or waiver of the requirement
  - Proof of financial responsibility
  - A declaration by applicant



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## Filing Requirements

➤ Specific requirements related to Hydraulic Fracturing:

- Groundwater zones protection
- Protection of the permafrost
- Well design and Integrity
- Modeling, execution and evaluation
- Extended formation flow tests
- Chemicals usage and disclosure
- Waste management
- All-season well pads
- Inter-well distances on multi-well pads




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## Additional Emerging Concerns

- Well integrity
  - Integrity of cement over time (25+ years)
- Lack of peer-reviewed literature
- Robust monitoring programs
  - Groundwater
- Properties of flowback fluids
  - Heavy metals, radioactivity, salts


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## Discussion

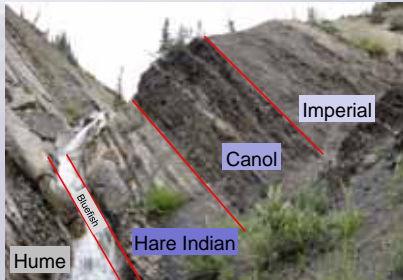



Photo and interpretation courtesy of MGM Energy


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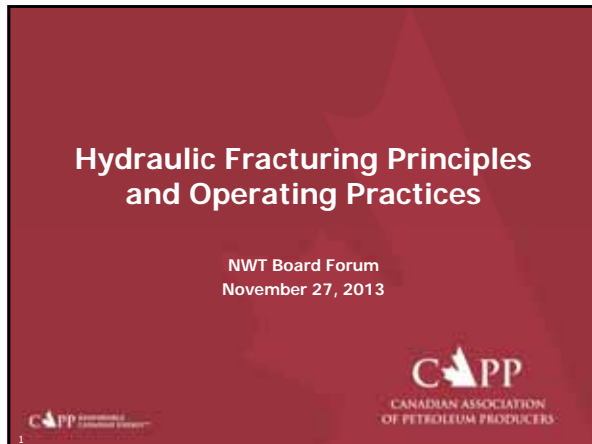
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### Social License

<b>Performance</b> SOLUTIONS	+	<b>Communication &amp; Outreach</b> OUTREACH	=	<b>Reputation/ Social License</b> REPUTATION
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- **Performance**
  - Continuous *environmental & social performance improvement* (across the value chain).....including monitoring, timely & transparent reporting
  - Clear line of sight to *economic and social benefits* to Canadians
  - World class *policy & regulatory system*
  - *Solutions-oriented advocacy* for balanced policy and regulation
- **Communications & Outreach**
  - Communications / outreach grounded in performance improvement
  - Evolving messaging, evolving channels, air & ground
- **Requires leadership & collaboration....an industry challenge**

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### CAPP Guiding Principles for Hydraulic Fracturing

- 1 We will safeguard the quality and quantity of regional surface and groundwater resources through sound surface water management practices, minimizing fresh water withdrawals where appropriate, and recycling water for reuse as much as possible.
- 2 We will measure and disclose our water use with the goal of continuing to reduce our effect on the environment.
- 3 We will support the development of fracking fluid additives and the best environmental ones.
- 4 We will support the disclosure of fracking fluid additives.
- 5 We will continue to advance, undertake on and communicate technologies and best practices that reduce the potential environmental risks of hydraulic fracturing.

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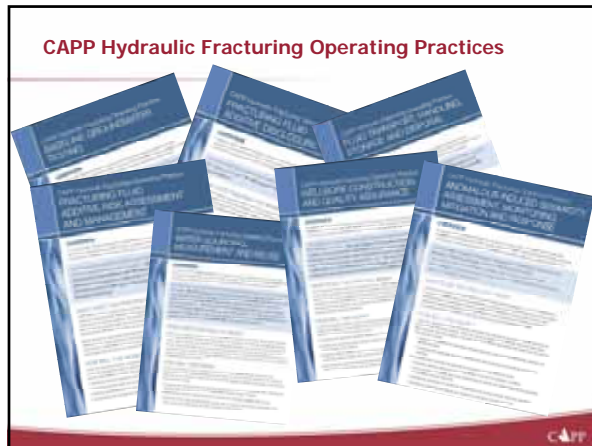
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**Hydraulic Fracturing Regulations**

- **Well Casing & Cementing**
  - Casing design and cementing requirements isolate and protect usable groundwater
  - Surface casing must be cemented to surface
- **Protecting Water Wells & Groundwater**
  - Fracturing at shallow depths (<600 m) requires risk assessment
  - Fracturing restrictions in proximity to water wells
  - Only non-toxic fracturing fluids can be used above usable groundwater
  - Baseline water well testing prior to hydraulic fracturing:
    - Not currently required in AB, but requirements are expected in 2014
    - In BC, water well testing may be a condition of well approval if concerns arise
    - Most companies voluntarily test nearby water wells prior to drilling
- **Chemical Disclosure**
  - Mandatory to publicly disclose fracturing fluid composition

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**Hydraulic Fracturing Regulations**

- **Water Use**
  - Water licences/permits required for fresh water withdrawals
  - Licences/permits have withdrawal limits and reporting requirements
- **Fluid Handling & Management**
  - Requirements for proper containment of fluids used or generated
  - Fluids that cannot be recycled or reused must be injected into deep disposal wells
    - Disposal wells must meet design and construction requirements
- **Seismicity**
  - Seismic monitoring, reporting and mitigation (BC)
- **Interwellbore Communication**
  - Risk assessment and well control plan required (AB)
  - Recommended notification of and coordination with other operators prior to hydraulic fracturing within 1000 m of a well (BC)

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Fracturing Fluid Additive Disclosure

- Publicly disclose, on a well-by-well basis, the chemical ingredients in additives used
- Supports action by provincial governments to make disclosure mandatory

- Disclosure on FracFocus.ca is mandatory in BC and Alberta
- Advocating for FracFocus.ca as disclosure vehicle across Canada

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Hydraulic Fracturing Fluid Product Component Information Disclosure – Sample

Source: Fracfocus.ca

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## 2 Fracturing Fluid Additive Risk Assessment and Management

- Identify and manage potential health and environmental risks associated with these additives
- Develop risk management plans for each well fractured



CAPP sponsored the development of a screening tool for its members to classify fracturing fluid additives according to potential health and environmental risks

CAPP

### Additives



Available on SCEK and PTAC websites

Additive	Function	Typical Concentration Range	Notes
Water	Carrier fluid	90-99%	Most common additive, used to transport proppant and other additives into the fracture.
Surfactants	Reduce surface tension	0.1-1%	Helps the fluid spread and wet the rock surface, improving fluid flow.
Viscosifiers	Increase fluid viscosity	0.1-1%	Helps maintain fluid flow after the water has evaporated.
Proppants	Keep fractures open	0.1-1%	Usually made of sand or ceramic, used to keep the fracture open after the fluid has been pumped.
Corrosion Inhibitors	Prevent corrosion	0.1-1%	Protects the wellbore and equipment from corrosion caused by the acidic fluid.
Scale Inhibitors	Prevent scale formation	0.1-1%	Prevents the formation of mineral deposits (scale) that can block the wellbore.
Biocides	Kill bacteria	0.1-1%	Prevents the growth of bacteria in the fluid, which can cause corrosion and block the wellbore.
Chelating Agents	Bind metal ions	0.1-1%	Prevents the formation of metal precipitates that can block the wellbore.
Surfactants	Reduce surface tension	0.1-1%	Helps the fluid spread and wet the rock surface, improving fluid flow.
Viscosifiers	Increase fluid viscosity	0.1-1%	Helps maintain fluid flow after the water has evaporated.
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Chelating Agents	Bind metal ions	0.1-1%	Prevents the formation of metal precipitates that can block the wellbore.

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CAPP

## 3 Baseline Groundwater Testing

- Enable assessment of potential changes in groundwater over time
- Test existing domestic water wells within 250 m of wellhead prior to drilling
- Participate in regional groundwater monitoring programs



The BC Government has committed to establishing a collaborative groundwater monitoring system for northeastern BC

CAPP

#### 4 Wellbore Construction and Quality Assurance

- Critical to protecting groundwater resources
- Compliance with regulations and good engineering practice
- Confirm wellbore integrity prior to fracturing




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#### 5 Water Sourcing, Measurement & Reuse

- Evaluate available water sources
- Measure and report water withdrawals
- Reuse water as much as practical

##### Industry-funded supporting studies:

- Fracturing Fluid Flowback Reuse Feasibility Study & Design Tool
- Determination of Water Monitoring Standards for Oil & Gas Operators
- Integrated Assessment of Water Resources for Unconventional Oil & Gas Plays in West-Central AB




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#### 6 Fluid Transport, Handling, Storage & Disposal

- Identify, evaluate and mitigate potential risks of fluid transport, handling, storage and disposal
- Enable quick and effective response to spills




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Anomalous Induced Seismicity

- New practice introduced in late 2012
- Assess the potential for anomalous induced seismicity
- Where assessment indicates potential for anomalous induced seismicity exists, implement practices for:
  - Wellbore placement and drilling design
  - Personnel preparedness
  - Monitoring
  - Mitigation and response

Six new seismic monitors will be added in NEBC for a total of eight - paid for by industry and government



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## A Sustainable Mineral Industry: The Role of Mineral Exploration

Ross Gallinger, Executive Director, PDAC  
NWT Board Forum, Calgary  
November 27, 2013



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## The Prospectors and Developers Association of Canada (PDAC) – A Proud History

- ❑ Established in 1932 in response to a proposed government regulation that threatened the livelihood of prospectors.
- ❑ Represents more than 10,000 individual and corporate members.
- ❑ Mission: To promote a responsible, vibrant and sustainable mineral exploration and development sector.



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## The PDAC – What We Do

**Convention:** 'Where the world's mineral industry meets'

### Program Areas:

- ❑ Aboriginal Affairs
- ❑ Corporate Social Responsibility
- ❑ Finance & Taxation
- ❑ Geoscience
- ❑ Health & Safety
- ❑ Human Resource Development
- ❑ Lands & Regulations
- ❑ Securities & Capital Markets

**Education:** *Mining Matters*, which introduces children and their teachers to earth sciences.

**Leading Practices:** Supporting our members to enhance their competitiveness and responsibility. Example: e3 Plus



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## e3Plus: A Framework for Responsible Exploration

### What is e3 Plus?

Web-based resource providing the information companies need to improve social, environmental, and health and safety performance while enhancing shareholder value.

### How was it developed?

- Guidance by members;
- Exploration industry workshops; and
- Focus Group meetings.

### Why is it useful?

Single source of material exclusively for the exploration industry  
Comprehensive – Scalable – Adaptable

### How can it be accessed?

[www.pdac.ca/e3plus](http://www.pdac.ca/e3plus)



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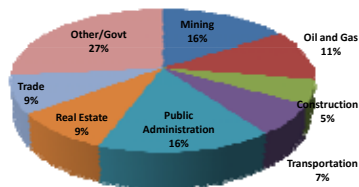
## Key Messages

- Mining makes significant contributions to the NWT economy and brings employment and business development opportunities to communities.
- Mines have a definite lifespan.
- The sustainability of the mineral industry is heavily dependant on continued investments in (grassroots and advanced) mineral exploration.
- Mineral exploration is a risky proposition, made riskier in the NWT by a number of challenges, including a complex and uncertain regulatory environment.
- Mineral exploration expenditures in the NWT has fallen dramatically since 2001.
- Stimulating greater exploration investment will require regulatory bodies, including the NWT Boards, to ensure that the regulatory regime governing exploration activities is: (1) growth-supporting; (2) proportional; (3) flexible and durable; (4) certain and predictable; (5) transparent and accountable; and (6) capable regulators.

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## Mining is the Largest Private Sector Contributor to the NWT Economy

Percentage of GDP By Industry



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### Mining Provides Substantial Benefits to the NWT

- Over \$9.3 billion to northern business - \$4 billion Aboriginal
- 1541 northern FTE jobs
- Over \$100 million to northern communities
- About \$215 million in tax revenue for the GNWT
- Millions of dollars in scholarships



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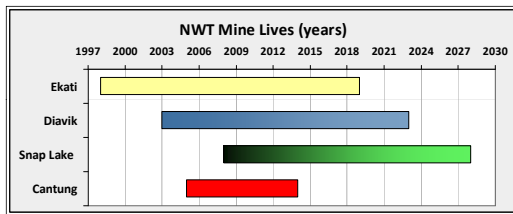
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### Mines Have A Definite Lifespan



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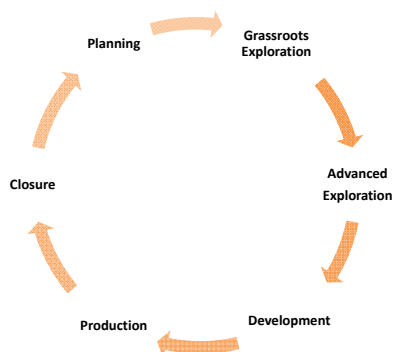
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### Sustainability Requires Continuous and Strong Investments in Mineral Exploration



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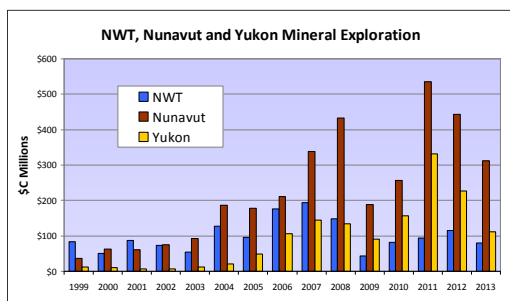
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## BUT...Mineral Investment in NWT Lags Behind Territorial Neighbours



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## Not Enough Exploration Projects Given the Odds of Success



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## Mineral Exploration is a Risky Proposition...

*Of all those expensive and uncertain projects, which bring bankruptcy upon the greater part of the people who engage in them, there is none, perhaps, more ruinous than the search after new silver and gold mines. It is perhaps the most disadvantageous lottery in the world...*

(Adam Smith, 1776)

Only 1 grassroots exploration project in 1000 will result in an economic deposit (Murray Duke, 2010).



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### ...Made Even Riskier By NWT-Specific Barriers to Investment

- ☐ Land access issues: infrastructure deficiencies, high mineral tenure acquisition costs, large interim and permanent withdrawals
- ☐ Considerable gaps in basic geoscience knowledge
- ☐ High operating costs
- ☐ HR challenges
- ☐ Unsettled land claims and incomplete regional land use plans
- ☐ Complex, uncertain and inefficient regulatory environment



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### Reasons for Optimism

- ☐ Akaitcho-Mining Industry MOU
- ☐ NWT Mineral Development Strategy
- ☐ Infrastructure Projects
- ☐ Devolution
- ☐ GEM II
- ☐ NWT Surface Rights Board Act
- ☐ Proposed Amendments to the Mackenzie Valley Resource Management Act



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### Attributes of Optimal Regulatory Regimes

- ☐ Growth-supporting
- ☐ Proportional
- ☐ Flexible and durable
- ☐ Certain and predictable
- ☐ Transparent and accountable
- ☐ Capable regulators



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**Understanding TSM**

**THERE'S A RIGHT WAY. AND IT'S CANADA'S WAY.**

Being companies in Canada make the first in the world to develop an industry-verified performance system for sustainable mining practices.

Our TSM program reflects a deep commitment to environmental protection, safety, and transparency about how we operate.

100% compliance with all applicable laws and regulations.

**MINING.CA**

**THE CANADIAN MINING**

What will they tell you?

**Presentation to the NWT Board Forum**  
November 27, 2013  
Calgary

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**ABOUT MAC**

The national voice of the mining industry in Canada:

- Advocacy - to advance the business of mining
- TSM Initiative – stewardship and social license
- 38 members in iron ore, gold, diamonds, oil sands, met-coal, base metals, uranium
- 50+ members in engineering, environment, finance
- Members engaged in exploration, mining, smelting, semi-fabrication, supply

**mining.ca** 2

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**TSM's Achievements**

**GLOBE AWARDS** 2005 Recipient of the Globe Foundation Award for Corporate Environmental Excellence

**PDAC** 2012 Recipient of the PDAC Environmental & Social Responsibility Award

**ECA** 2013 Recipient of the Excellence in Corporate Responsibility Award

"It is clear that MAC's efforts to work with the industry in advancing its sustainability performance and accountability are paying off in significant best practice." – **Five Winds International**

"TSM provides a practical and tangible system of continuous improvement of social and environmental management" – **Canadian Business for Social Responsibility**






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**Towards Sustainable Mining:  
Our Commitment**

TSM is MAC's commitment to responsible mining that every member commits to implement. It includes a set of tools and indicators to drive performance and ensure that key mining risks are managed responsibly at our facilities. By adhering to the principles of TSM, our members demonstrate leadership through:

- Engaging with and supporting local communities
- Driving world-leading environmental practices
- Committing the resources and leadership to promote the safety and health of employees

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**Towards Sustainable Mining:  
Our Commitment**

Established in 2004, TSM's main objective is to enable mining companies to meet society's needs for minerals, metals and energy products in the most socially, economically and environmentally responsible way. The program's core strengths are:

- **Accountability** – Mandatory for all members to report at the facility level
- **Transparency** – Annual reporting against 23 indicators with independent verification
- **Credibility** – Includes ongoing consultation with a national Community of Interest Advisory Panel to improve industry performance and shape TSM for continual advancement

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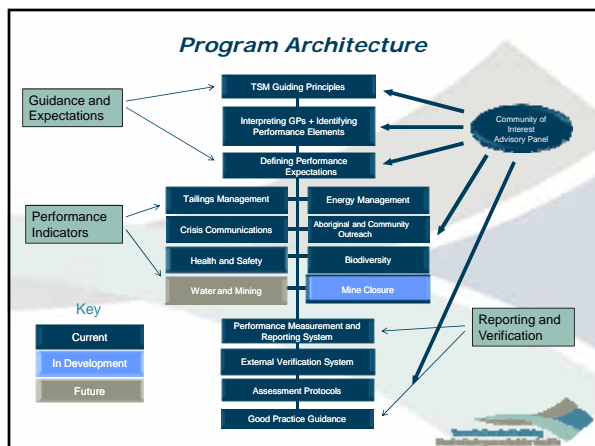
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<b>COI Advisory Panel</b>	
Aboriginal peoples	<ul style="list-style-type: none"> <li>Meets twice per year</li> <li>Work of Panel publicly available on the MAC website</li> <li>Annual COI Panel Statement published in TSM Progress Report</li> </ul>
Environmental NGO	
Economic/community development	
Social NGO including faith based groups	
Finance/investment	
International development	
Labour/workplace	
Media/communications	
MAC Board of Directors	
Junior Mining Company Representative	

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<b>Components of TSM: Focus Areas and Protocols</b>		
		
<b>Environmental Footprint</b>	<b>Communities and People</b>	<b>Energy Efficiency</b>
Tailings Management Biodiversity Conservation Management	Aboriginal & Community Outreach Safety & Health Management Crisis Management	Energy Use & Greenhouse Gas Emissions Management
<b>Community of Interest Advisory Panel</b>		

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<b>TSM Performance Indicators</b>					
Communities & People			Environmental Footprint		Energy Efficiency
Aboriginal and Community Outreach	Crisis Management Planning	Safety and Health	Tailings Management	Biodiversity Conservation Management	Energy Use and Greenhouse Gas (GHG) Emissions Management
Community of Interest (COI) Identification	Crisis management preparedness	Policy, commitment and accountability	Tailings management policy and commitment	Corporate biodiversity conservation policy accountability and communications	Energy use and GHG emissions management systems
Effective COI engagement and dialogue	Review	Planning, implementation and operation	Tailings management system	Facility-level biodiversity conservation planning and implementation	Energy use and GHG emissions reporting systems
COI response mechanism	Training	Training, behavior and culture	Assigned accountability and responsibility for tailings management	Biodiversity conservation reporting	Energy and GHG emissions performance targets
Reporting		Monitoring and reporting	Annual tailings management review		
		Performance	Operation, maintenance and surveillance (OMS) manual		

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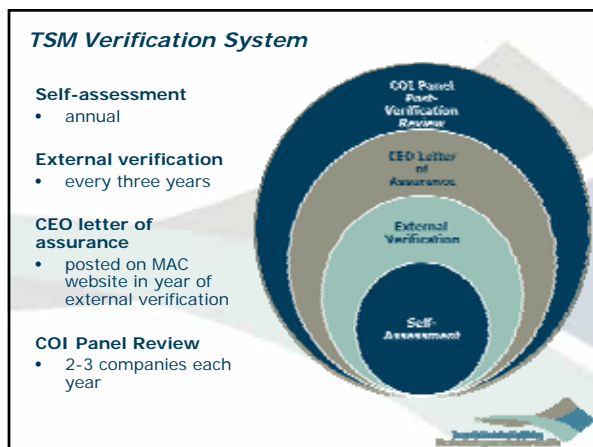
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**Public Reporting**

- Publication of results
  - company specific
  - aggregated for the membership as a whole
- On website ([www.mining.ca](http://www.mining.ca))
- Useful for comparison between companies (and peer pressure)

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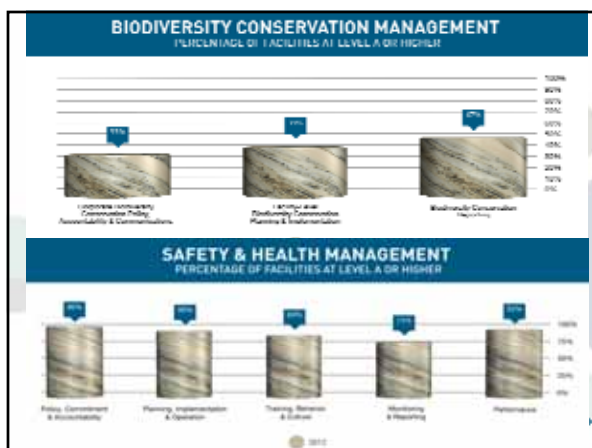
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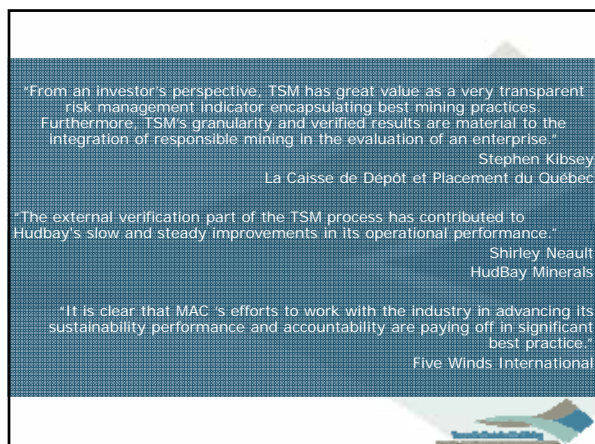
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## Performance is improving

"...TSM provides valuable and detailed information about an issue that can pose significant operational and reputational risks to mining companies and their shareholders."

Irene Sosa, Senior Analyst, Sustainalytics





"From an investor's perspective, TSM has great value as a very transparent risk management indicator encapsulating best mining practices. Furthermore, TSM's granularity and verified results are material to the integration of responsible mining in the evaluation of an enterprise."

Stephen Kibsey  
La Caisse de Dépôt et Placement du Québec

"The external verification part of the TSM process has contributed to Hudbay's slow and steady improvements in its operational performance."

Shirley Neault  
HudBay Minerals

"It is clear that MAC's efforts to work with the industry in advancing its sustainability performance and accountability are paying off in significant best practice."

Five Winds International

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**Before it's yours, it's mined.**  
Canadian mining provides the resources that make the devices the world asks for communicate.

**CANADIAN MINING**  
What will we find next?

**FOR MORE INFORMATION PLEASE CONTACT:**

Pierre Gratton  
President and CEO  
Mining Association of Canada  
[pgratton@mining.ca](mailto:pgratton@mining.ca)

Follow us on Twitter:  
[@theminingstory](https://twitter.com/theminingstory)

**mining.ca**

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## Sustaining Mining In the NWT

Board Forum, Calgary, November 27, 2013

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## Key messages

- Introduction to our industry
- Our industry is valuable to North
- Our industry is environmentally responsible
- Need for new development
- Actions that can help
- What can you do to help?

November 27, 2013      NWT Board Forum      2

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## Canada's North Promising Development Potential

### Northern Mining Productivity

➤ "Canada's overall northern metal and non-metallic mineral output is expected to grow by 91% from 2011 to 2020..."  
- The Conference Board of Canada, January 2013

Conference Board Forecast	Average Growth Rate	Compound Annual Growth Rate
All Canada	21.5%	2.2%
<b>Northern Regions</b>	<b>91%</b>	<b>7.5%</b>

### Northern Opportunity

- The least explored region in Canada
- Very high mineral potential.
- Major projects currently undergoing EA and permitting process
- Anticipated new mineral production within 5 years.
- Additional projects expected before 2020

November 27, 2013      NWT Board Forum      3

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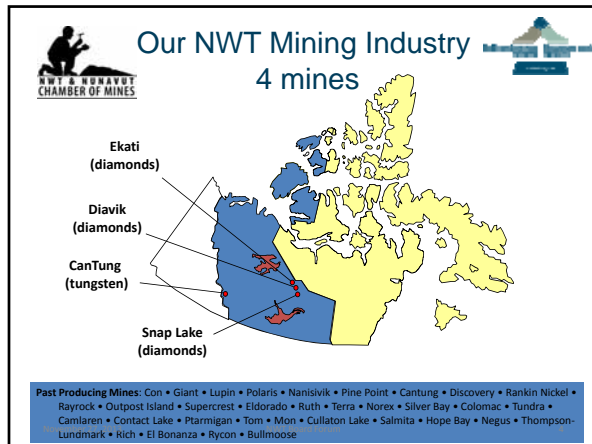
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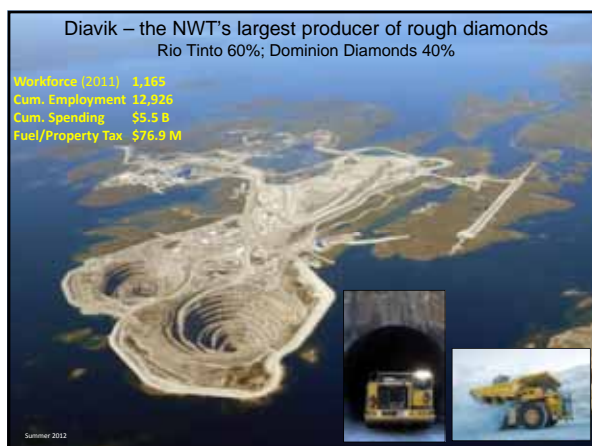
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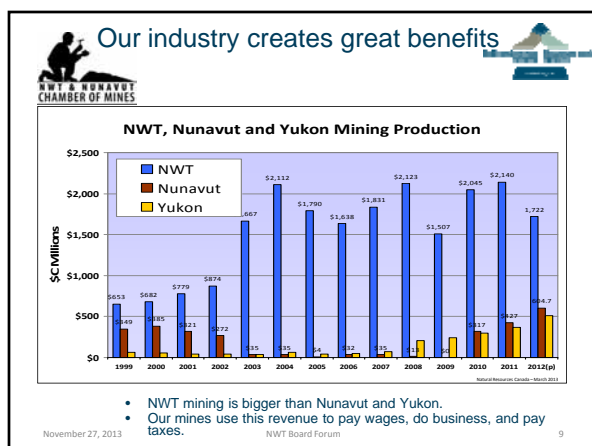
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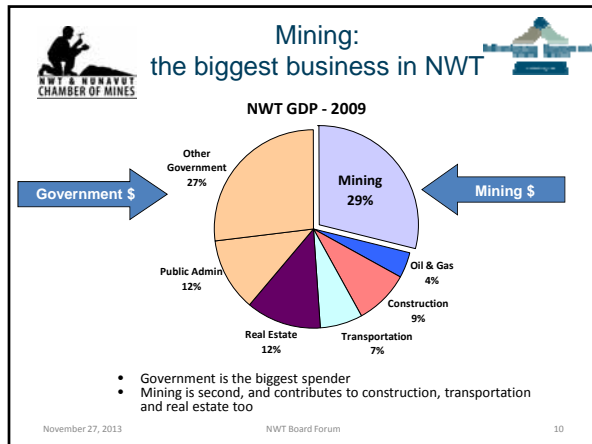
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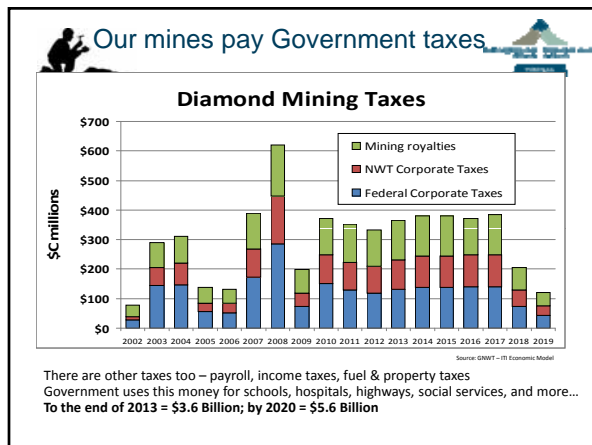
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### Our mines create employment and business development

- Exceeded employment & business expectations
  - 19,000 person years northern employment – 50% Aboriginal
  - Over \$9.3 billion in northern business - \$4 billion Aboriginal
- Operate to the highest of safety standards; and
- High international standards:
  - ISO 14001 – Environmental Management
  - ISO 9001 – Quality Management,
  - ISO 18001 – Occupational Health & Safety

November 27, 2013 NWT Board Forum Download at: [www.miningnorth.com](http://www.miningnorth.com)

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# Mining benefits communities in many ways



## Community benefits – over \$100 million paid

- Sponsorships & donations
- Scholarships & training
- Recreation & other facilities
- IBA payments



Northern Development  
NWT & Nunavut Chamber of Mines

NWT Board Forum

November 27, 2013

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# Contributions to Education and Training

Company Sponsored Workplace and Technical Programs



**The mines helped build new  
Aboriginal businesses**



## New Aboriginal companies created in past 15 years

- Ti Cho Logistics
- Ti Cho Landran
- Ti Cho Cement
- Ti Cho Air
- Ti Cho Road Constructors
- Ti Cho Oil Services
- Denesoline Western Explosives
- Metcon
- Kete Whi Ltd.
- Kete Whi Procon
- Sodexo Alliance
- Exploration Medical Services
- Kikimot Cementation
- Lac De Gras Constructors
- Nishe Khon / SNC Lavalin Inc.
- North Slave Logistics
- Nuna Logistics
- SecureCheck
- Lac De Gras Constructors
- Nishe Khon / SNC Lavalin Inc.
- Ekati Services
- I&D Management Services Ltd.

- De'ton Cho Earth Energy
- De'ton Cho DNX
- Bouwa Whee
- De'ton Cho Foraco
- De'ton Cho Hazzo
- De'ton Cho Mahanni Construction
- De'ton Cho New North
- De'ton Cho NUNA
- De'ton Cho Pure Earth Elements Environmental Solutions
- De'ton Cho Skarlet Security
- De'ton Cho Startec
- De'ton Cho Training and Conference Centre
- De'ton Cho Logistics
- De'ton Cho Metec North
- De'ton Cho Mining Supplies
- DICAN / ADG
- Kete Whi / Ledcor
- Kete Whi / Procon

- Alaitcho Helicopters
- Dene-Emco Ltd.
- Denesoline/Aboriginal Engineering Ltd.
- Denesoline/Air Taxi Joint Venture
- Denesoline/Arcan Constructio
- Denesoline/De Beers Labour Contract
- Denesoline/Discovery Mining Services – Logistics Expediting
- Denesoline/De'ton Cho/Procon
- Denesoline/De'ton Cho/Ledcor
- Denesoline/Dynco Nobel
- Denesoline/ESS Compass
- Denesoline/McCaw Drilling and Blasting
- Denesoline/Nitko Logistics
- Denesoline/Thuna Logistics
- Lutsel K'e Air Services
- A.T.B. Construction
- Trinity Helicopters



### Tli Cho Investment Corporation



**Revenue and Earnings History**



- 23 member companies
- 450 employees
- Over \$180 million annual revenues





November 27, 2013

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### YK Dene First Nation's Det'oncho Corporation



- Built on the mining industry
- 16 member companies
- Over 300 employees
- Annual earnings more than \$87 million









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### Our industry is environmentally responsible



- TSM
- Tailings Management
- Climate Adaptation
- Stringent Regulatory Compliance
- ISO registrations
- Etc.

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## Tailings Management



- MAC has developed three **Tailings Management Guides**
- Require a **Tailings Management Framework** for all operations
- Published in English, French and Spanish; on MAC Website: [www.mining.ca](http://www.mining.ca)





Regarded as "Best Practices" nationally and internationally

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## Climate Adaptation and Energy Alternatives

*Improving energy efficiency*



- Thermosyphons application to preserve permafrost
- Heat exchangers
- Wind energy
- Expanding hydro development
- Replacing diesel with LNG








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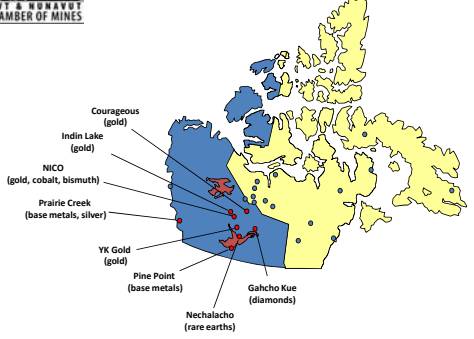
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## Advancing NWT projects: Mines of Tomorrow?





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## Advancing projects, but... Frankly, we need more projects



Mining Project Name (Operator)	Commodity	Expected Production	Expected Jobs	Expected Capital Costs (\$C millions)
Yellowknife Gold Project (Iyhee)	Gold	2015	220	\$ 193
NICO (Fortune)	Gold, Copper, Cobalt, Bismuth	2015	150	\$ 200
Nechalacho (mine + hydromet) (Avilon Rare Metals)	Rare Earth Metals	2015	286	\$ 541
Prairie Creek (Canadian Zinc)	Silver, Zinc, Lead, Copper	2015	220	\$ 193
Gaihuo Kue (De Beers, Mtn. Province)	Diamonds	2015-16	380	\$ 650
Pine Point (Tamerlane)	Zinc, Lead	2014	131	\$ 154
		<b>TOTAL JOBS</b>	<b>~ 1,400</b>	<b>\$ 1.9 billion</b>
Ekati Mine (closes in 2019)	Diamonds	<b>TOTAL JOBS</b>	<b>± 1,400</b>	

- IF ... all 6 projects become mines, still not enough to displace the loss of Ekati and Diavik (BIG IF in these conditions)
- We need more projects and we need to sustain the existing mines

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Fortunately there are actions under way that may help



- *NWT Mineral Development Strategy*
  - *Five pillars to help sustain mining into the future*
- *Regulatory Reform*
- *Settle land claims*
- *Devolution*
  - *Anticipated to improve the NWT's competitiveness*

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# The Federal Government is helping



- Negotiating to settle land claims
- Simplifying the regulations
- Devolution – giving power to the GNWT who promise to do a better job
- Training dollars
- Geoscience dollars



GNWT Board of Directors

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 The NWT Government is helping 

Creating a *NWT Mineral Development Strategy*

- To attract exploration money
- To support northern jobs and businesses and taxes
- To prepare for devolution

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 Tli Cho Government is helping 

- Created the Kwe Beh Working Group
  - 2 chiefs, 3 staff, others
  - First point of contact for exploration and mining industry
  - Building relationship with the communities on mining issues

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 The Akaitcho is helping   
too

- Signed MOU with Chamber of Mines for *Mutually Beneficial Mineral Exploration and Development in the Akaitcho Territory*

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Thanks!

➤ What can you do to help?

Rick Meyers

- [rmeyers@mining.ca](mailto:rmeyers@mining.ca)

Tom Hoefer

- [Executivedirector@miningnorth.com](mailto:Executivedirector@miningnorth.com)

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What were the next steps from June's presentation ...
<ul style="list-style-type: none"> <li>Given the scope of changes, work has already commenced:               <ul style="list-style-type: none"> <li>✓ Initial bill proposing amendments to MVRMA shared with stakeholders for comment and consultation in May 2013 and August 2013</li> <li>✓ Departmental staff will continue to share detailed information on all of these proposed changes for comments and questions</li> <li>✓ Communications and consultations will be ongoing throughout the process</li> </ul> </li> <li>Canada will continue to move forward with changes to the Northern regulatory regime in order to foster a more conducive environment for developing the resource economy. These changes are intended to ensure certainty, predictability and timeliness, which will remove barriers to investment and contribute to the Government's jobs and growth agenda.</li> </ul>
<p align="center"><b>...and where do we go from here?</b></p>
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What has occurred ....
<ul style="list-style-type: none"> <li>The NWT Devolution Agreement has been signed (June 25, 2013)</li> <li>MVLWB/AANDC "Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the NWT has been released</li> <li>Sahtu Land Use plan approved</li> <li>Several major EA's and Water Licenses</li> </ul>
<p align="center"><b>.. since the last meeting?</b></p>
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**What is the proposed regulatory framework under development ...**

- Implementing the NWT devolution final agreement (Canada and the GNWT) and the Action Plan to Improve Northern Regulatory Regimes (Canada)
- DFA chapter 3 implemented by April 1, 2014 (Legislation, Regulations, OiC's, Delegations and MoU's)
- Operational transfers of dispositions and records including notifications
- Action Plan changes (timelines, board restructuring, policy direction, etc.) will have varied coming into force dates
- AANDC will work with GNWT, Ab Orgs, OGDs, Boards, Industry to clarify and manage the change agenda

**... and to be implemented in the coming months?**

4

**What is being changed ...**

- Several Acts and Regulations are proposed to be amended and remain Federal
- Other Acts and Regulations are proposed to be mirrored and become Territorial Legislation
- To manage the Territorial responsibilities identified in the NWT Devolution Final Agreement, a delegation instrument is being proposed
- Short timeframe to manage authorities approvals through House of Commons, Treasury Board, Minister's Office and NWT Legislature
- Sequencing will be critical

**... as part of the NWT Devolution and NRRI Implementation?**

5

**What are the major activities to be considered ...**

- File transfers and information exchanges with Federal and Territorial governments
- Management of financial securities
- Management of projects in process
- Understanding and re-alignment of processes and decision-making authorities
- Timing of changes will be principally in two major phases:
  - Phase 1 - Pre April 1st
    - Royal Assent of Legislation
    - Territorial Legislation, OiC's and Coming Into Force on April 1<sup>st</sup>
    - Regulations currently in process
  - Phase 2 – Post April 1st
    - OiC's for coming into force
    - OiC's for Regulations
- Focus of efforts should be on phase 1

**... over the coming months and years?**

6

**What are the next steps ...**

- Boards, AANDC, NEB, CanNor and GNWT continue to manage projects during this period of transition
- AANDC and GNWT to continue to communicate on the legislative, regulatory and OIC initiatives
- AANDC proposes to create a Resource Management Implementation working group to manage the detailed requirements of transition
  - Suggest focus group of Land and Water Boards, EA Board, NEB and GNWT
  - Propose monthly teleconference/meeting or more if needed
  - Proposed start would be after NRRI and Devolution Legislation Introduced
- AANDC also proposes that the Board Forum be reviewed early in the fiscal year to better reflect the new NWT Regulatory Environment

**... in support of economic certainty through transition?**

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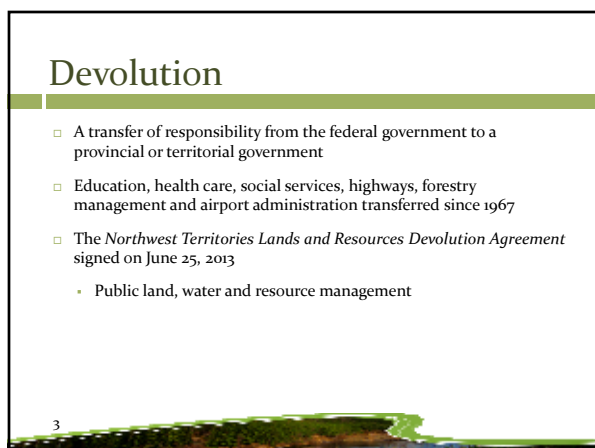
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## Devolution Implementation

### Supporting devolution

- Implementation planning began in 2011
- GNWT wide project involving a broad range of departments
- Process overseen by a Deputy Ministers Steering Committee
- Participating Aboriginal Governments are members of the Implementation Planning Committee
- Dedicated funding provided through the Devolution Agreement

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## GNWT Priorities

### Supporting Regulatory Integration

- Address the inherent complexities , knowns and unknowns of implementation
- Identify solutions required short term and determine issues that can evolve post Devolution
- Coordinate with Canada and the Boards to ensure that regulatory integration occurs
- Be ready on April 1, 2014

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## Key Components

### Key Components

- Legislation
- GNWT Organizational Structure and Design
- Big Picture – Resource Management
- Consultation & Coordination
- Evolving the System – Intergovernmental Council
- Transition

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Legislation



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Legislation

- Approximately 27 federal acts and regulations will be mirrored as Territorial legislation to implement the transfer of land, water and resource management authorities
- Canada will repeal or amend federal legislation and post Devolution new Territorial legislation may be amended by the Legislative Assembly

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Mirror Legislation

New Territorial Legislation

Federal Legislation (repealed or amended)

- *Waters Act*
- *Northwest Territories Lands Act*
- *Oil and Gas Operations Act*
- *Petroleum Resources Act*
- *Surface Rights Board Act*
- *Archaeological Sites Act and Regulations*
- *Reindeer Act and Regulations*

- *Northwest Territories Waters Act*
- *Territorial Lands Act*
- *Canada Oil and Gas Operations Act*
- *Canada Petroleum Resources Act*
- *Northwest Territories Surface Rights Board Act*
- *Northwest Territories Act – Archaeological Regulations;*
- *Northwest Territories Act – Reindeer Regulations*

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## Beyond Mirroring: MVRMA

- The *Mackenzie Valley Resource Management Act* (MVRMA) will remain federal, but many decisions and functions under the Act will become GNWT responsibilities
- There will be a review of the provisions of the Devolution Agreement related to the MVRMA in 5 years

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## Legislative Assembly - Status of Bills

- *Archaeological Sites Act*, *Reindeer Act* and *Surface Rights Board Act* have received second readings in the Legislative Assembly and been referred to committee
- Remaining Acts to be introduced in the Legislative Assembly when it resumes sitting in February 2014

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## GNWT Organizational Structures Post-Devolution

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## Our Structure and Devolution

### Supporting devolution

- Phase 1 – High Level Org Design completed Fall 2012
- Phase 2 – Detailed Org Design announced October 2013
- New functions for some Departments - shifting of responsibilities
- New Department of Lands
- Comes into effect April 1, 2014

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## Devolution of Employees

### Total of 259 positions

- Approximately ½ of positions created to transition Aboriginal and Northern Affairs Canada (AANDC) employees to the GNWT
- Positions created to replicate duties currently done in Ottawa
- Existing GNWT positions that change in scope or role

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## Resource Management – Three GNWT Departments

Department of Lands

Department of Environment & Natural Resources (ENR)

Department of Industry, Tourism & Investment (ITI)

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## Department of Lands



## Overview - Lands

The proposed Mandate of the Department of Lands is

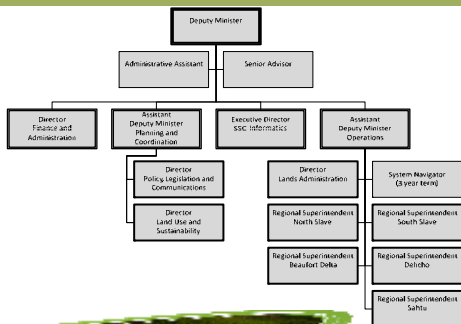
*to support, manage and administer the sustainable use of public lands in the NWT*

Land Management and Administration is a core public good and critical asset that needs to be effectively and efficiently managed

- Consistent with principles of the Land Use Sustainability Framework
- Land provides for ecological, spiritual, cultural, recreational and economic goods and services
- Land is a predominant and key driver of the NWT economy


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## Lands



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Department of Environment  
& Natural Resources



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Overview – ENR

The mandate of Department of Environment and Natural Resources (ENR) will remain unchanged:

*To promote and support the sustainable use and development of natural resources to protect, conserve and enhance the Northwest Territories environment for the social and economic benefit of all residents*

- Water will become a component of the environment managed by ENR.

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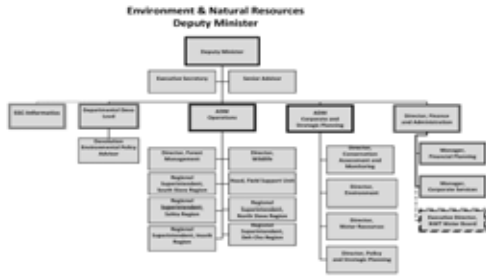
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ENR



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## Department of Industry, Tourism & Investment



## Overview - ITI

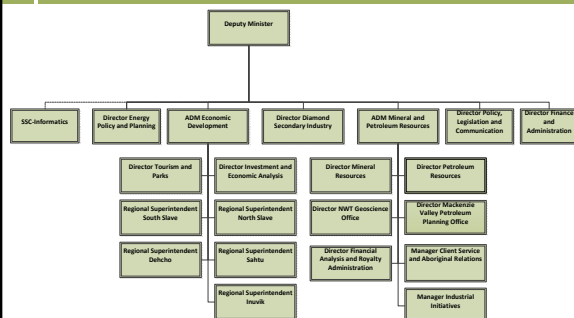
Department of Industry Tourism and Investment (ITI) mandate:

*To promote economic self-sufficiency through the responsible management and development of NWT's mineral and petroleum resources, domestic energy sources and natural resource industries, including agriculture, commercial fishing and the traditional economy; and the promotion and support of tourism, trade and investment, business, and manufacturing and secondary industries, to create a prosperous, diverse and sustainable economy for the benefit of all Northwest Territories residents.*

- ITI will receive responsibility for mineral and petroleum resources

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## ITI



Big Picture – Resource Management

GNWT's Post Devolution role in the Mackenzie Valley and the Inuvialuit Settlement Region (ISR)

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Big Picture – Resource Management

- Lands
- Waters
- Subsurface (Oil & Gas, Minerals, Coal)

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Resource Management - Lands

The GNWT will have administration and control over public lands, subject to land claims and retained federal authorities (NWT Act)

New roles:

- *Lands Manager* - Majority of public lands in the NWT will be managed by the GNWT (sales, withdrawals, leasing etc.)
- *Surface Rights* - The GNWT will assume administration of the mirrored Surface Rights Board Act
- *Royalty Manager* - Quarrying

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## Resource Management - Lands

### Northwest Territories

- *Technical Advisor to Boards* where developments occur or impact public lands (regulatory processes and Environmental Assessment)

### Mackenzie Valley

- *Responsible Minister and Decision Maker (Environmental Assessment)* – Former role as Responsible Minister will expand significantly due to new authorities over lands and water

### Inuvialuit Settlement Region

- *Regulator and Issuer* of land use permitting on public lands
- *Decision Maker* (Inuvialuit Final Agreement Environmental Assessments)

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## Resource Management - Lands

- *Security Holder and Manager* (e.g. leases and land use permitting)
- *Inspections and enforcement* of land use on public lands (e.g. leasing and land use permitting)
- *Archaeological Sites*
  - managed by Minister of Education Culture & Employment under the *Archaeological Sites Act*
  - coordinated with Lands inspectors and Boards under the *Mackenzie Valley Land Use Regulations*.
- *Policy development* for public lands

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## Department of Lands

### Lands will:

- Oversee new roles and responsibilities under new *Northwest Territories Lands Act* and MVRMA
- Reconcile existing responsibilities regarding administration of Commissioners Lands
- Maintain two separate land administration systems on an interim basis, similar to the Yukon post Devolution
- Coordinate with other departments (e.g. inspections and enforcement, security holdings)
- Coordinate with other land administrators and regulators (e.g. inspections)
- Coordinate GNWT role in regulatory processes and Environmental Assessment – technical advice and decision making
- Coordinate GNWT role in development, approval and review of regional land use plans pursuant to Aboriginal land, resources and self-government agreements, and land use planning initiatives

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## Resource Management - Waters

The GNWT will have authority over rights in respect of waters, subject to land claims and retained federal authorities (*NWT Act*).

New Roles:

- ❑ *Water Authority and Administration* – GNWT will have authority over waters under the new territorial *Waters Act*. However, Boards will continue to manage and issue water licences.
- ❑ *Technical Advisor to Boards* where developments occur on or impact public lands and water (regulatory processes and EA)
- ❑ *Mackenzie Valley: Responsible Minister and Decision Maker (EA)*  
Current role as a Responsible Minister will expand significantly due to new authorities over lands and water

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## Resource Management - Waters

- ❑ *Security Holder and Manager* for water licences
- ❑ *Inspections and enforcement* of water use and deposit of waste regarding activities and developments on or which impact public lands and waters
- ❑ *Policy Development* for waters

Inuvialuit Settlement Region (ISR):

- ❑ *Regulator* – Board in ISR will issue water licences
- ❑ *Decision Maker* – Inuvialuit Final Agreement Environmental Assessments

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## Department of Environment and Natural Resources (ENR)

ENR will:

- ❑ Oversee new roles and responsibilities under new *Waters Act* and MVRMA
- ❑ Reconcile existing mandate and legislation that is the responsibility of ENR
- ❑ Coordinate with GNWT departments:
  - Regulatory processes and Environmental Assessment – technical advice and decision making
  - security holdings
  - inspections and enforcement
- ❑ Coordinate with other water administrators and regulators (e.g. inspections)

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## Resource Management – Subsurface – Oil & Gas, Mines and Minerals, Coal

The GNWT will have administration and control over the subsurface – Oil & Gas, Mines & Minerals, Coal

New Roles:

- *Subsurface Manager* for majority of lands and subsurface in the NWT, in the onshore
- *Regulator and Issuer* of Oil & Gas interests, Mines & Mineral interests and Coal interests . The National Energy Board (NEB) will continue as a regulator in the ISR
- *Royalty Manager* for Oil and Gas, Mines and Minerals

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## Resource Management – Subsurface – Oil & Gas, Mines and Minerals, Coal

- *Technical Advisor to Boards* where developments occur on or impact public lands and subsurface (regulatory processes and Environmental Assessment)
- *Security Holder and Manager* (e.g. oil and gas interests)
- *Inspections and enforcement* (e.g. oil and gas interests)
- *Policy development* for subsurface

Mackenzie Valley

- *Responsible Minister and Decision Maker* (Environmental Assessment) - former role as Responsible Minister will expand significantly due to new authorities over lands and water

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## Department of Industry Tourism and Investment (ITI)

ITI will:

- Oversee new roles and responsibilities, in the onshore, under *Petroleum Resources Act*, new *Oil and Gas Operations Act*, and new *NWT Lands Act regulations* relating to mines, minerals and coal
- Reconcile existing mandate and legislation that is responsibility of ITI
- Coordinate with other land administrators and regulators (e.g. inspections)
- Coordinate with other GNWT departments for
  - regulatory processes and Environmental Assessment – technical advice and decision making
  - security holdings
  - inspections and enforcement

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## Consultation & Coordination

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## Consultation

- Consultation requirements continue under land claim agreements, legislation and the common law
- The GNWT's approach to consultation will continue post Devolution considering its new responsibilities

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## Coordination

- Coordination within GNWT, with Canada and Boards will be an integral component to ensuring a streamlined integrated regime
- Coordination with Canada is on-going to distinguish roles and authorities while:
  - Federal legislation and mirrored Territorial legislation is being finalized for introduction to Parliament and the Legislative Assembly
  - Delegated authorities to the GNWT are being finalized
- The GNWT is interested in discussing and determining priority issues with the Boards as legislation and delegations are confirmed

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## Evolving the System – Intergovernmental Council

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## Intergovernmental Agreement on Lands & Resources Management

- A key feature of this devolution is a commitment from the GNWT and Aboriginal governments to work cooperatively and collaboratively on land management
- To formalize government to government relationships on land management., the GNWT and Aboriginal parties have agreed to establish an Intergovernmental Council
- The IG Council will provide opportunity to discuss land and resource management in the NWT

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## Intergovernmental Agreement on Lands & Resources Management

- The Council will provide opportunity to work collaboratively on matters of common interest related to land and resource management
- The jurisdiction of each party will continue to be respected. However, the parties all recognize the benefits of cooperation and collaboration
- Moving forward, the Council provides potential for increased harmonization of laws and policies, and the sharing of capacity among northern governments.

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Transition

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Transition Issues

Authorities/Delegations/Coordination

- GNWT authority via legislation and delegation is being finalized

Projects

- Existing projects and interests will continue post April 1, 2014
- Transition coordination needed for projects under review on April 1, 2014

Inspections/Enforcement

- Transition coordination with the Boards is needed
- Pre and post Devolution priority setting with the Boards

Board Relations and Board Support (in a changing regime with changing board structures)

Regulatory independence and decision-making

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**Presentation by Canada – Board Analysis Initiative**  
**November 28, 2013**  
**2:45-3:15 PM**

**Board Analysis Initiative: Overview and Progress**

**Background:**

- As many people here know, last November, Canada committed to undertaking a comprehensive analysis of boards in the Northwest Territories. This was to include an analysis of issues facing boards such as capacity and funding.
- One of the reasons that Canada initiated this project was to address the inflexibility of the current funding approach in meeting the boards' changing demands and workloads caused by external pressures.
- Canada committed to completing this project before the renewal of funding for boards takes place, through the negotiation of funding with treaty partners (primarily through the renewal of implementation plans).

**Progress:**

- Thus far, Canada has held **three** conference call meetings with boards to facilitate conversations on the various challenges that exist.
- An immense amount of comments and feedback has been received from boards through this process.
- Discussions on numerous issues have been held, such as on: funding models used by boards, their capacity to meet objectives, staff retention, and training opportunities for members and staff.
- Discussions at these meetings have been extremely helpful in providing Canada with a thorough understanding of the issues facing boards and their various priorities.

**Moving Forward:**

- Canada is currently completing the compilation of feedback it has received through surveys that were distributed to boards in August. Canada will be providing the boards with a response to the surveys in the coming weeks, with the goal of verifying its understanding of the information shared by them.
- In December, Canada will be sharing a report with boards that will provide an overview of Canada's understanding of the issues raised over the last several months. Primarily, it will present several potential options for addressing these issues and responding to challenges. Canada will be seeking feedback on this work.
- Upon completion of these two products and receipt of feedback from boards, Canada will work internally to implement possible solutions.

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- Monthly meetings with boards will continue, in order to keep the lines of communication open between Canada and boards.

**Board Analysis Creative Solutions: Training**

- One topic that was raised numerous times by boards throughout the Board Analysis initiative, was that there is a general lack of access to training, particularly training regarding specific skills and knowledge.
- In addition to the important work and many projects implemented by boards on the ground, they are required to work with the federal government to secure the necessary funding and members to operate which takes administrative and financial capacity.
- This being said, Canada is of the opinion that training courses on various federal government processes could be useful for both boards' members and staff in learning how to efficiently navigate the federal system.
- Within the federal government, employees learn about the federal system through training offered by the Canada School of Public Service. It is possible that Canada could, through Board Forum, adapt and make available several of these courses.
- The following are examples of course that could be beneficial to boards:
  - **How Ottawa Works:** Provides an overview of the machinery of government to assist public servants in working more effectively within the federal system.
  - **Government Planning, Budgeting, Reporting and Evaluation Cycle:** Provides the fundamental knowledge needed to understand the financial management life cycle with in the federal government.
  - **Access to Information and Privacy in the Government of Canada:** Provides an overview of the Access to Information and Privacy acts and the associated federal government responsibilities.
  - **Managing Grants and Contributions:** Provides an overview of how to design, administer and manage grants and contributions in the federal government context.
- Access to these types of training courses could assist boards' members and staff in more effectively managing their work with the federal government, thereby giving them more time and resources to focus on their objectives and mandated work.
- Canada would be willing to discuss the potential adaptation of these courses to the boards' needs. In addition, Canada is open to discuss any type of training that boards think may be useful to their members and staff.