



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

## Standing Committee on Natural Resources

---

RNNR • NUMBER 014 • 1st SESSION • 41st PARLIAMENT

---

EVIDENCE

**Monday, November 21, 2011**

—

**Chair**

**Mr. Leon Benoit**



## Standing Committee on Natural Resources

Monday, November 21, 2011

• (1530)

[English]

**The Chair (Mr. Leon Benoit (Vegreville—Wainwright, CPC)):**  
Good afternoon, everyone.

We're here today to continue our study on resource development in northern Canada.

We have four groups of witnesses here today. We have, from the Mine Training Society, Hilary Jones, general manager. From Avalon Rare Metals Inc., we have Donald S. Bubar, president and chief executive officer. From Fortune Minerals Limited, we have Robin E. Goad, president, and also Richard Schryer, director, regulatory environmental affairs. And from the Canadian Zinc Corporation, we have John F. Kearney, chairman and chief executive officer.

Welcome to all of you.

We'll have the presentations. If you could keep it at around seven minutes, that would be preferred.

We'll start with Hilary Jones from the Mine Training Society. Go ahead, please.

**Ms. Hilary Jones (General Manager, Mine Training Society):**  
Thank you, Mr. Benoit and members of the standing committee, for your kind invitation.

Rather than reading a prepared brief, I provided a deck earlier and I will guide everyone through it.

There are three major challenges to resource development in the north. One is lack of infrastructure, second is challenges presented by the regulatory process, and the third is labour force. I'll be concentrating on this third challenge of labour force development.

We talk about job creation and the numbers needed, but when it gets down to the fundamentals it's all about people, and I would like to share two stories with you. Being from the north, we are natural-born storytellers, so I'd like to tell you about Katrina Stiopu. Kat was about 18 when I first met her in 2009. She had had to quit high school when she was 16 in order to support her family, because her family house burned down and there was no insurance. Kat is a young lady from the Yellowknives Dene.

The moment she turned 18 she came into our offices—18 is the legal age when you can be in a mine in the Northwest Territories. We did some career counselling with her and discovered she really liked to drive big trucks. So we had her trained as a haul-truck driver and now, almost three years later, she has a new home, a new car, and more importantly, a new family.

Mike Fraser had a hard life and did a few things he shouldn't have done and landed himself in jail. While he was there he had a few days or a couple of years to figure out what he was going to do with the rest of his life. When he came out and finished his court-mandated counselling, he came to visit us and we did some work with him and got him trained as a class 1 driver. We also helped him get a job with Robinson's trucking. In October Mike came to visit me at the office just to say thank you for all the support he got from the Mine Training Society, because now he owns his own trucking company and has a longstanding contract to haul contaminated soil down to Zama. He just wanted to acknowledge the support he received from the Mine Training organization.

These are the topics I'm going to cover over the next while with you: a brief history of the Mine Training Society, and the assistance in the development of three other mine training organizations; a typical employment profile for the mines; information on existing labour market; successes in training to date; our industrial and aboriginal partnerships; and the advantages that mine training organizations bring to the table in resource and workforce development.

I would note that I'm going to include data both from Nunavut and Yukon mine training organizations. We like to take a collaborative approach, and this way you get a three-for-one deal.

The Mine Training Society started way back in the nineties. In the early nineties, the Northwest Territories was undergoing a tremendous boom in mineral exploration, which led to the opening of Canada's first diamond mine. The Ekati Diamond Mine, owned by BHP, was commissioned and made operational in 1998.

At that time the giant Con Mines in Yellowknife was facing its closure, the Northwest Territories was undergoing political division with the creation of Nunavut in 1999, and the unemployment rate was 13%.

Diavik Diamond Mines didn't have the luxury of drawing on that same labour pool when it started constructing its mine in 2001 and on its eventual commissioning in 2003. It needed a bit more of an innovative approach to developing its own workforce. Working with the department of education and Indian and Northern Affairs Canada, as well as the Yellowknives Dene First Nation and the Chamber of Mines, Diavik sought to create an ad hoc training committee. The committee looked at creative ways of delivering community-based training that would meet the labour force needs of its own operation.

It was a successful model that was used later for the development of the Mine Training Society and was further replicated in northern B.C., the Yukon, and Nunavut in the Kivalliq Region.

As you can see from the table entitled “Typical HR Profile for a Mine”, the careers in mining are not pick-and-shovel jobs any more. The workers have to be skilled, especially when you're driving a Cat 777, which costs on average \$2 million and takes a year and a half to replace. Fully 50% of any of the jobs in a mine are trades-related, with another 28% being semi-skilled. Mining is no longer the primary avenue to employment for unskilled, uneducated, or untrained people.

I have also provided a quick slide on the types of jobs in a mine. There are literally hundreds of different types of jobs in mining and mine services.

I have also presented three slides that were obtained from the chambers of mines in the Northwest Territories, Nunavut, and the Yukon. Those potential jobs are projected, based on what Tom Hoefler, the executive director from Chamber of Mines in the Northwest Territories, calls his magic-wand scenario. He will be appearing before you at the end of the week.

Those projections are based on the projects coming into minehood—and hopefully those of my colleagues here today—as well as the advanced projects. At its height in 2019, Nunavut may have as many as 5,000 mining jobs. In the Northwest Territories, we would have 2,000 jobs, but we also have the added challenge of our regulatory system. In the Yukon, it would be about 2,500 mining jobs.

●(1535)

I picked a moment, 2017, when several projects will be under way. You will note that I have calculated the annual payroll for each project based on their calculated number of employees. I used the mining industry average wage of \$1,600 per week to calculate the payroll value of the projects, which comes to some pretty amazing numbers when rolled up.

The total annual payroll in 2017 for mining alone, if all goes well with the world markets, would be in excess of \$789 million for just those three territories. The total number of mine employees would be 9,500 people. And as I like to remind all our partners, we are turning our trainees into future taxpayers, and the potential payroll tax would be over \$157 million.

Please keep in mind that for every one job created in mining, three other jobs are created in mine services and services in general to support the miners' families.

Our population is our challenge. The three northern territories, the future for Canada, have less than one third of 1% of the population of Canada, but we take up 40% of the land mass. Although we are small in population, Canada's north contributes significantly to Canada's national GDP. Our reality for the workers in the labour force follows.

Yukon has over 5% unemployment, or just over 1,000 people not working. The Northwest Territories has a 7.4% overall unemployment rate, close to 2,000 people, with a “not in the labour force” population of 6,100. The Northwest Territories tracks this number on a monthly basis, but I was unable to obtain that information for

Nunavut or Yukon. “Not in the labour force” is comprised of working-age people going to school, families who have no access to child care, people who are ill or are looking after a family member who is ill, retired persons still eligible to work, and the category that is most disturbing: there are people who want to work, but do not believe jobs are available.

This is supported by the recent Conference Board of Canada report on building a labour force capacity in Canada's north. This report has a survey of northerners' outlooks and wants, and indicates that 60% of the respondents who said that jobs are hard to find in their community are northerners age 35 or older, and those who have not graduated from high school.

Nunavut has the highest unemployment rate of all three territories, officially at 17%. The problem is not unemployment or lack of jobs. The problem or challenge is that the people who are available for jobs do not have the skill sets to meet the requirements for employment in the mining industry. Let's keep in mind that 78% of those jobs in the mine site are for skilled and semi-skilled workers. Fewer than 5% are for those individuals who would qualify as labourers.

This is where the mine training societies come in. The three MTOs are the Northwest Territories Mine Training Society, the Yukon Mine Training Association, and the Kivalliq Mine Training Society, which we hope soon to be the Nunavut Mine Training Society. They have been working to ensure that the local aboriginal populations are able to take advantage of the economic opportunities presented by employment with the mining sector.

We have been very successful to date. Since 2008 we have exceeded the targets laid out between ourselves and the aboriginal skills and employment partnership program. I presented the aggregate numbers for your consideration. We have far exceeded our training targets by 145% and our employment targets by 165%. Please keep in mind that the training delivered is not for entry-level positions. These are skilled and semi-skilled positions such as underground miner, heavy equipment operator, and mineral processors, to name a few.

Training in the north is expensive. However, we have developed an innovative method to train people for underground mining and one that we would like to continue but for a lack of guaranteed funding. The underground miner program, delivered in partnership with Aurora College, has several components that allow aboriginal participants to transition from remote communities to the work site. The program has won the Premier's award for excellence and collaboration, given the numbers of partners involved in the development and the delivery of this program.

The training is 32 weeks long and begins in the home community. In the introduction to underground mining, the participants are given two weeks of employability skills training followed by four weeks of safety and mining modules that follow the common core curriculum. This allows the participants to make informed career choices when entering a career in mining. The successful participants are then invited to submit to the underground miner program.

• (1540)

The participants are assessed against a number of criteria, and they also receive input from the instructors. The community-based instructors teach the underground miner program. This allows the participant from the remote community to already have a point of personal contact when they arrive in Yellowknife.

In this program we have embraced the teachings of the medicine wheel. We deal with participants as a whole person, not just a learning brain. We support the mental, physical, emotional, and spiritual dimensions of the person.

They then follow a 12-week training portion at the mine site. We also use simulators and hands-on training.

What makes this model so successful? It's because it's made up of partnerships of like-minded organizations. The Conference Board of Canada has noted that none of the industries, public governments, or aboriginal governments have gone it alone to build labour force development capacity. They have created partnerships to build labour force capacity, and the most successful vehicle to date is the Mine Training Society.

I'm going to skip through the actual structure of the three different societies.

We did a five-year evaluation of our work since 2004. We came up with some pretty interesting data on the outcomes in four areas: our clients, industry, our communities, and governments. We found that as well as providing assistance in skills training and attachment to the workforce, one of the most telling and interesting impact was on the actual face of the workforce. On our trainees, 25% are aboriginal women, which is much higher than the national average of women overall in the mining sector of 5%. I like to think we're changing the face of mining, and it wears mascara.

Women are an under-used resource in the mining industry, and there are definite challenges in child care.

While we work with industry, we also have a significant impact on—

• (1545)

**The Chair:** Ms. Jones, I have to ask you to wrap up in 30 seconds so we can get to the other witnesses.

**Ms. Hilary Jones:** Okay.

Earlier this year HRSDC advised that funding for all aboriginal skills and employment partnerships will cease on March 31, 2012. Organizations such as mine training organizations in each territory will have to prepare to wind up activities and, if necessary, their organizations.

There is a compelling business case for continued human resource investment by the federal government in northern people, not the least of which is the healthy and growing return on investments for resource royalties. Mining growth, however, will be curtailed if successful MTOs are not funded. They have been the lifelines for northern mines over the past eight years, and in the last three years we have placed 1,400 aboriginal people in well-paying jobs.

We're also looking at developing a pan-territorial northern natural resource work development strategy. The purpose of the strategy is to develop a pan-territorial strategic framework that would outline the need for and the benefits of a multi-year workforce development strategy. This strategy will be used to align territorial and partner visioning and goal setting; develop broad strategic and costed initiatives; and attempt to leverage ongoing funding for training and skills development from provincial, federal, and territorial governments and other strategic partners.

We will be looking at all aspects of resource development, from community engagement to remediation, and we want to build on the successes and experience of the past eight years. We want to continue measuring success one person at a time, especially for the Katrinas and the Mikes of the north.

Thank you very much, sir.

**The Chair:** Thank you, Ms. Jones.

I just want to explain to the members of the committee what we're facing today. We have three more presentations. We have to shut down this part of the meeting 15 minutes early so we can discuss future business of the committee. Then we will hopefully have questions and comments from all members of the committee. So if you can keep your comments to the 10 minutes the clerk has indicated you have, that would be very much appreciated.

Mr. Bubar, from Avalon Rare Metals Inc., please go ahead with your presentation.

**Mr. Donald Bubar (President and Chief Executive Officer, Avalon Rare Metals Inc.):** Thank you, Mr. Chairman.

Avalon Rare Metals Inc. is one of the few mineral developers in the north with an advanced development project. It's called Nechalacho. It's a unique deposit. It's one of the highest-quality mineral deposits of its kind in the world, enriched in the rare earth elements. It's an emerging commodity group that is proving vital to new technology, especially clean technology. This particular mineral deposit represents an opportunity for Canada and the Northwest Territories to lead the world in a new supply source of these key raw materials.

Today I'd like to share with you some of the challenges we have been facing in moving this project through the regulatory process. Generally, the Northwest Territories is seeing some of the lowest levels of investment anywhere in the world, even though we are experiencing a global boom in investment in the mining sector as the whole world searches for new sources of commodities.

Why is that? Speaking as a geologist, I can assure you it's not to do with a lack of endowment in mineral resources in the Northwest Territories. This is arguably one of the most mineral-rich terrains in the world. It's certainly no less endowed than its neighbouring jurisdictions in Nunavut and the Yukon, which are seeing strong growth in investment in mineral development. Clearly, the finger has to be pointed at the regulatory process, which we would characterize as very inefficient. Also, some of the complications are related to unresolved land claims and a complicated consultation process that offers developers no clear rules of engagement with first nations.

In our case, the community consultation process has actually gone quite well. We recognized this as a challenge when we first started working up there in 2005. By being diligent in our consultation, we've managed to reach good working relationships with all of the community leaders of the aboriginal groups we are working with. We've had 165 consultation meetings since we started up there in 2007. It has generally been appreciated. In fact, the chief of the Yellowknives Dene First Nation, Ted Tsetta, said publicly on several occasions that when it comes to consultation, Avalon does it right.

That's not the problem we're facing. Our problem is an inefficient permitting process related to the environmental assessment process. I'll give you some specifics. This is an advanced project. We filed for our initial permit applications with the Mackenzie Valley Land and Water Board in April 2010. It was immediately referred for environmental assessment. There was no surprise there. That's fairly routine for a project of this scope. However, it took eight months just to complete the initial community scoping sessions to establish the terms of reference for the environmental assessment process.

After that, we produced our developers assessment report, which was some 1,000 pages long, and filed it within three months of receiving the terms of reference. It then took five and half months for the review board to determine that our report was in conformity with the terms of reference. This wasn't to review the technical details. This was just to make sure it was in conformity with the terms of reference. It was five and half months. This should take only a month to 45 days to complete.

What's happening to us is that each one of these slow response times is accumulating into setting the whole process behind the schedule we need to work to. It's very important with this project, because, basically, we're in a race against other producers of these commodities around the world to get to market with our product. These are non-traditional mineral commodities. You have to develop your markets for them and find customers, and we're competing with other potential producers around the world to serve that need outside China. If we fall behind in that race, it may not just delay development—it may ultimately frustrate it from ever being developed. It's important to keep to these timelines.

•(1550)

We're having a lot of difficulty getting that message across to the regulators with the review board in Yellowknife. Some of the specific concerns that we can pass on are that we find the staff generally unresponsive. They're unwilling to work in a collaborative way. All communications have to be in writing; we can't simply sit down and talk things through and find a solution to moving the thing forward. We're not allowed to do that. They do not seem to have the manpower they need to do the job and get things done quickly. There's no accountability on decisions and timelines. There are no specific timelines laid out and there are no consequences to not moving these files forward at a reasonable pace.

Lastly, what we are particularly frustrated with is that there's a clear lack of impartiality in public meetings. The officers with the review board clearly have an anti-development bias, and it's just not appropriate when these projects are being presented in public meetings for consideration by the public as an opportunity.

As I said, we're in a race now, but there are a number of ironies associated with this too. While the regulatory process is frustrating us, it's not because there is a lot of organized public opposition. There is no organized public opposition to this project in the Northwest Territories. The aboriginal groups support it. The municipal government supports it. The GNWT supports it. The only people who don't support it are individuals within the review board apparently.

Furthermore, we have a pretty good track record in working with the aboriginal groups, who have complimented us on our consultation. We have a land use permit. We are inspected on a regular basis for compliance with the terms of that land use permit—which are fairly rigid. We've been inspected 25 times since we initiated drilling operations on the site, and we've been consistently found to be in compliance with those regulations. So we're not a bad actor in terms of demonstrating our willingness to comply with the rules as they exist right now.

No substantial environmental concerns have been identified with this project, and it will actually have a relatively small development footprint compared to many such opportunities, mining operations, being considered for development around the world.

I just wanted to share with you our frustrations with this inefficient process. It really needs to be looked at carefully for how it can be improved to better serve developers and the public generally. We've invested some \$45 million to date in this project; we're committed to seeing this through to the finish line. But I'm often asked, "So you're a pretty big stakeholder in the Northwest Territories now that you've invested a lot in this project. I'm sure you're looking for other opportunities to develop projects in the north." Frankly, I have to say no, we're not. We're going to look elsewhere for the next opportunities if we have to continue to endure as inefficient a regulatory process as we are now experiencing in the Northwest Territories.

Thank you very much.

•(1555)

**The Chair:** Thank you very much, Mr. Bubar.

Now we have Mr. Goad from Fortune Minerals Limited, along with Richard Schryer. Go ahead, please, with your presentation—for up to 10 minutes, shorter if possible.

**Mr. Robin Goad (President, Fortune Minerals Limited):** I'll do my best, but I've never been known for being short.

Thank you very much for this opportunity to speak to you, Mr. Benoit, and also to the members of your committee.

I'm going to be speaking in this presentation. I have Dr. Richard Schryer, who is our director of regulatory and environmental affairs, with me today. Although I'll be doing the presentation, he will be available for detailed questions on the permitting process up in the Northwest Territories and the other jurisdictions that we're operating in.

Before I begin my presentation, I want to speak very briefly about Hilary's and Don's prior presentations. I'm not going to be dealing a lot with labour issues, but this is clearly an issue we're dealing with in the Northwest Territories, the lack of skilled trades. I support very much what Hilary had to say.

I also support Don's major concern with the length of time it takes to navigate the permitting process. We initially filed our applications in 2007, so we've been in the process for about four years and still have another year to go. We're building a process plant in Saskatchewan for which we will completely navigate this permitting process in 13 months. Clearly, there is a big disconnect between these jurisdictions.

What I'm going to do right now is to introduce to you my company. We're going to talk a little about our projects and some of the issues that are impacting us, particularly with direct case examples of some of the challenges we're having. I'm going to talk about transportation infrastructure and energy infrastructure, which is also very important to developing in the part of the world in which we're operating.

First of all, here is a very brief introduction to Fortune Minerals Limited. We're based in London, Ontario. We're building projects in the Northwest Territories, in northern British Columbia, and also in Saskatchewan. We are a mineral development company making the transition to a vertically integrated mining and refining company. We have a very experienced board and management team with proven records in building mines and also in operating mines.

From there, I'm going to give you a brief introduction to one of our projects, called the Mount Klappan anthracite coal project in northwestern British Columbia. I know this forum is principally focused on the north, but this is in the northern part of British Columbia, and it involves issues with infrastructure, with first nations, and with red tape; these are also important.

This is a world-class asset of 2.8 billion tons. There is \$87 million of work already completed, and we just secured a world-class partner in POSCO. The third-largest steel company in the world, from South Korea, is now our joint venture partner.

This project generates a very attractive rate of return, with over a billion dollars in net present value, based on initial capital of \$768.4 million. The major issue, which we'll be talking about later as a case example, is that we're building a railroad extension costing \$317.8 million to connect this project with the Port of Prince Rupert. We have infrastructure issues: building infrastructure, the cost of that infrastructure, and also access to port facilities. I'll be speaking to these more specifically later.

This project is in the environmental assessment process.

Our Nico project is also an unusual deposit, containing specialty metals; it's gold, cobalt, bismuth, and copper. It's a very advanced project, with \$95 million of work already completed, including a positive, bankable feasibility study indicating a \$361-million net present value.

The project is in the environmental assessment process. One of the major impacts we're going to talk about with this project is the cost of doing business in the Northwest Territories, which required our

company to relocate the downstream processing facilities in Saskatchewan, which has a lower-cost environment. This is due to the lack of skilled labour up in the Northwest Territories to operate this process facility, but more importantly to the cost of energy. The cost of energy is of extreme importance in the Northwest Territories; we are using diesel-powered generation, at a cost of about \$0.20 to \$0.30/kWh, versus \$0.057/kWh in the south.

Our hydrometallurgical process in Saskatchewan is a \$200-million project. It's going to employ 85 people, and the major issue is shipping of concentrate from the Northwest Territories down to Saskatchewan, mainly because of the cost of doing business up in the Northwest Territories.

The first issue we have brought up is transportation infrastructure. Fortune's projects require significant investment in basic offsite infrastructure that require capital cost, reduce the economics, and make it more difficult for projects to attract project financing.

● (1600)

As I mentioned, Mount Klappan requires \$317 million in investment for an extension of a railway. This railway right-of-way has already been constructed. It provides a brownfield transportation corridor to extend the railway to the site and will provide access to this world-class coal project through the port of Prince Rupert.

I think there's a role for government in providing for basic infrastructure, including roads, in facilitating other infrastructure developments, and in subsidizing those projects.

We're also going to be exporting our product through the port of Prince Rupert using the Ridley coal terminals. Ridley has planned an expansion, from 16 million tonnes to 24 million tonnes, which will be inadequate for accommodating the new mines planned in the northern part of British Columbia. Also, mines are planned in the Yukon.

New users are being asked to pay for the expansion, while the current users are not. I would argue that the expansion should be funded from cashflows and should be recovered from rates charged to all users of this facility.

The Nico mine also requires a 120-kilometre access road for shipping our concentrates south to Saskatchewan for processing, for providing access for employees, and for receiving supplies and services. This road will provide reliable year-round access to nearby Tlicho aboriginal communities, which are currently serviced by winter roads only. It will improve the quality of life in those communities and will reduce the cost of living. The road would also provide reliable year-round access to promote additional economic activities in mining, tourism, and power development, which is going to be the theme of my next point about operating in the Northwest Territories.

The Government of the Northwest Territories proposes to fund a significant portion of this road, but the aboriginal government and the Government of the Northwest Territories are arguing over jurisdiction. This is one of the other problems we have: just who is actually in control of things up in the Northwest Territories? Is it the federal government, the territorial government, or the aboriginal governments?

Roads generally provide basic infrastructure required by communities and provide access for sustainable economic development and investment in natural resources. They should be supported by all levels of government.

We talked a little bit earlier about energy. Both Mount Klappan and NICO require diesel power generation, even though they're proximal to hydroelectric power dams and potential new sources of supply. The cost of generating electricity using diesel power generation is about 20¢ to 30¢ per kilowatt hour, depending on the cost of getting fuel to the site. Escalation in the cost of energy forced our company to relocate the downstream processing facilities for our project to Saskatchewan, where we pay only 5.7¢ a kilowatt hour and where we have access to a skilled labour pool that can operate this facility.

Notably, the Diavik diamond mine in the Northwest Territories has just now decided to build a 9.2 megawatt wind farm to mitigate the rising cost of fuel. There are opportunities for expanding hydroelectric infrastructure in the Northwest Territories, including expanding the Snare hydroelectric facilities and the Taltson power facilities. But the Northwest Territories do not have the capacity for expansion, and their laws currently preclude forward investment in new projects. There are no plans for developing additional energy capacity that would attract industry. Power is one of the largest costs in developing mineral deposits in the north.

The Taltson expansion is currently on hold, primarily because one aboriginal group does not support the route and also because the power rates being proposed are not attractive for the diamond mines because of the high capital cost of installing transmission lines for this new source.

The Tlicho, the first nations group operating in our mining area, are interested in building a run-of-river hydroelectric project. This would supply power not only to our mine site but also to their communities, which are running on diesel.

• (1605)

It's important to note that both the B.C. and Canadian governments are currently funding extension of the electrical grid in northwestern British Columbia. I think this is a good template for other investments in basic infrastructure by the government.

Land claims continue to be a significant concern in the Northwest Territories and British Columbia. First nations are typically frustrating mineral development to achieve their objectives. The permitting process is being used by first nations to highlight land claims issues.

Settled land claims have implementation issues that have not been addressed. For example, our project is in the area of the Tlicho settlement, which has a settled land claim with the federal and Northwest Territories governments. But there's a moratorium on development on the Tlicho fee-simple lands while land use planning is in preparation, and this continues to get delayed because of a lack of capacity.

Right now the Tlicho First Nation is litigating the Mackenzie Valley review board to determine who has the right to make decisions in their territory. There's a lack of capacity to participate in the permitting processes. That is a concern for first nations and

causes delays in the permitting process. The issues of consultation and accommodation are typically passed on to companies.

I want to quickly get to the last issue, which is government red tape. We have been in the permitting process now for four years. It takes too long, and expectations for work are escalating in both British Columbia and the Northwest Territories, while jurisdictions like Saskatchewan and Quebec are quite efficient.

The recent Red Chris court decision requires integration of federal and provincial processes, and that is compounding the inefficiencies. Boards are inconsistent in their administration of project files and constantly raising the bar. Boards are limited by a lack of staff and funding. Federal and Northwest Territories departments are understaffed and often not experienced with mining. The level of effort and procedures for aboriginal consultation and community engagement are unclear and becoming increasingly onerous for developers. Timelines for the entire permitting process need to be defined and adhered to so that project planning can take place with certainty. The entire permitting process needs to be defined: protocols and timing of access, socio-economic, environmental agreements, etc.

There are some case studies in my deck, and you can read them separately, but I want to conclude by stressing the importance of mining in the Northwest Territories. The vast majority of mineral projects in Canada are developed by junior mining companies that must raise funds in capital markets to advance their projects. The lack of certainty and permitting timelines are the greatest concerns to potential investors.

Fortune's projects will make significant contributions to the economies of Canada, British Columbia, Northwest Territories, and Saskatchewan, with a total investment of \$1.143 billion planned for these three projects. They will also result in 650 full-time jobs. Base-case commodity price assumptions will generate combined revenues of \$682 million per year, with a cash operating cost of \$440 million per year.

Nico in the Northwest Territories is the smallest project and will generate significant benefits to the Northwest Territories and the Canadian economy.

We want to make it clear that there are some issues impacting mineral development in the Northwest Territories, and they're causing a lot of harm to junior developers. The government basically needs to address issues of infrastructure and first nations, as well as a clear regulatory environment.

Thanks so much.

**The Chair:** Thank you, Mr. Goad, for your presentation.

We'll go now to Mr. Kearney from Canadian Zinc Corporation.



**Mr. John F. Kearney (Chairman and Chief Executive Officer, Canadian Zinc Corporation):** Thank you, Mr. Chair and members of the committee.

In addition to my role as chairman of Canadian Zinc Corporation, I'm also a director and the immediate past president of the NWT and Nunavut Chamber of Mines and a director of the Mining Association of Canada. Both of these organizations represent the Canadian mining industry.

Canadian Zinc owns the Prairie Creek Mine in the Northwest Territories. This is a unique project. It's already built. It's 30 years old, but it has never operated. The mine is a major Canadian resource. It is one of the highest-grade base metal deposits in the world. When it's in production the mine will employ about 220 people, and our objective is to employ about 60% northern residents, of whom a total of 25% would be aboriginal first nations.

The mine has a projected life of 20 years. We enjoy a very good relationship with the local communities. In 2008 we signed a memorandum of understanding with the two closest aboriginal communities, and in 2011 these were converted into impact benefit agreements, which we signed with the Nahanni Butte and the Fort Simpson communities.

In June of this year we signed an important socio-economic agreement with the Government of the Northwest Territories, under which the company and the Government of the Northwest Territories agreed to work together to maximize the beneficial opportunities—job creation, business opportunities, and socio-economic opportunities—that will accrue from the development of the mine.

Recently Human Resources and Skills Development Canada, a department of the Government of Canada, approved the commitment of \$3 million for a three-year period under the skills and partnership fund to fund the “More than a Silver Lining” program to provide aboriginal participants with training and employment opportunities in a variety of mine-related occupations. That program has already started.

However, the mine is not yet into production, largely because of the regulatory and permitting regime that exists in the Northwest Territories today. You've heard my colleagues comment on that earlier. When this mine was first built in 1980 it had all the permits necessary, but unfortunately those permits were allowed to lapse, so that in 2000 we had to seek new permits under the new Mackenzie Valley Resource Management Act.

For the last 10 years, Canadian Zinc has been slowly and gradually working its way through the Mackenzie Valley permitting process. During that time we've applied for and obtained seven exploration permits, two water licences, four land use permits, and a road permit.

Various aspects of this project have been the subject of five different environmental assessments by the Mackenzie Valley review board and during all that time we have encountered very significant delays in the issuance of permits. For example, we applied for our water licence in March 2001 and it was finally issued four years and eleven months later in February of 2006. In May 2003 we applied for a land use permit for a road. This was deemed exempt from an environmental assessment by the Supreme Court of the Northwest

Territories. The permit was issued four years later, in April of 2007. However, we had to do some repairs to that road, which required a water licence, which was issued in March 2008, making the total period four years and ten months from application to when we could begin work.

In June of 2008 we applied for the permits for operating. These applications have been working their way through the Mackenzie Valley process, and we're hopeful we will get a decision from the review board before the end of this year. But that's not the end. The permits have to come after that, so again, we're looking at another process in excess of four years.

Let me tell you, members of the committee, that were it not for the quality of this ore body, any company would give up and walk away. These delays, which are not unusual as you've heard from my colleagues, are impossible to explain to the investment community in Toronto from whom we have to raise funds. They just do not understand that the Northwest Territories is not an attractive place to invest dollars.

You've heard from my colleagues that mining is and has always been the major economic driver of the Northwest Territories. It contributes more than \$2 billion annually and represents about 50% of the GDP of the Northwest Territories. It is a very important industry, but it is an industry that is threatened today. Mines are finite. The diamond mines are probably past their peak and mineral exploration is not strong; in fact, it's in decline in the Northwest Territories.

So if the Northwest Territories is to maintain the considerable benefits that mining brings, we must create an environment that attracts mining and investments. Both public governments and aboriginal governments need to create an environment of certainty for investors. In our industry we operate in a global world. Money is mobile and it will go wherever the reward is best. We must take into account not just the price risk but the project risk and also the social risk. Canada needs to compete for the investment dollars worldwide.

• (1610)

There's no certainty that we can get those investment dollars. We must improve certainty. We must reduce and eliminate the barriers to entry. As you have heard, there are significant challenges with property in the Northwest Territories. The federal government has recognized a need to reform the northern regulatory regime. In the Speech from the Throne of March 2010, the government committed to support responsible development of Canada's energy and mineral resources. The minister said our government would untangle the daunting maze of regulations that needlessly complicate project approvals and replace them with simpler, clearer processes that offer improved environmental protection and greater certainty to industry.

In May 2010 the minister announced an action plan to improve northern regulatory regimes to ensure they would be more effective and predictable and would provide greater certainty to the industry, northerners, and all Canadians. He said potential investors in northern resource projects have faced complex and overlapping regulatory processes that are unpredictable, costly, and time-consuming. These have become barriers to economic investment in the north and economic growth in Canada.

The government has recognized that there are problems and difficulties with the current system and that investment in the north is threatened. The action plan is a step in the right direction, but in my opinion this needs to go faster and further. There are proposals under way to amend the Mackenzie Valley Resource Management Act. I would ask members of the committee, when this legislation comes before Parliament, to make the parliamentary time to get this legislation enacted. It is very urgent.

Industry is anxiously awaiting the enactment of the Nunavut Planning and Project Assessment Act. This bill came before the house but died on the order paper last spring with dissolution. Again, we would ask you to please find the time to get that legislation enacted as soon as possible. It's very important to mine development in Nunavut.

Mr. Chairman, one of the challenges facing resource development in the north is the absence of a champion—an arm of government with the responsibility to promote resource development. For many years, the north has been the only region without an agency responsible for economic development. In 2009 the government announced the creation of the Canadian Northern Economic Development Agency, or CanNor. Inside CanNor, there is a northern projects management office, which is intended to help industry navigate the regulatory process to ensure timely reviews of projects. Here, again, there has been progress, but unfortunately that progress is slow. CanNor does not have any meaningful budget. It is simply taking resources from Aboriginal and Northern Affairs Canada, which continues to be the main regulator in the north, and which continues to have a conflicting mandate with regard to its economic development and its aboriginal responsibilities.

There's no minister for economic development in the north. There's no minister for mines in the north. In fact, there is no minister for mines in all of Canada. We really think there is a need for a champion. This is necessary to ensure resource development in the north.

The government of the Northwest Territories tried to move the investment, and is very supportive of the Canadian Zinc's project and all mining projects. As I mentioned, we have signed a socio-economic agreement with the government of the Northwest Territories. The likelihood of imminent devolution means the responsibility for resource development will fall to GNWT. Perhaps such a situation would be a good thing, but it probably needs to happen quickly. The GNWT does support a balanced approach to developing and advancing economic growth. Devolution, should it happen, will allow the GNWT to make resource development a priority. They should have management control of public lands, water, and mineral resources. Also, they can become the champion for development.

There's an urgent need for action. It's one on which we need to see meaningful progress. My concern is that if there is no improvement in the investment climate in the north for mineral exploration and development, and if there is no significant reforms of the regulatory and permitting process in the Northwest Territories, mining investment capital will decide that the timelines are too long and that there is no certainty, and that capital will go elsewhere. As you've heard today from Avalon—and we'd be the same—those resources, which are undoubtedly there, will be left unexplored and undeveloped, and nobody will reap the benefits.

I have sought to demonstrate today that Canadian Zinc's project offers many benefits to the aboriginal communities, to the Northwest Territories, and to Canada. However, the successful development of this mine, and indeed all mines, requires the active support of government, political leaders, and politicians. Support is needed to improve the regulatory permitting regime, to upgrade infrastructure, to educate and train, to have social programs, and to assist aboriginal communities to avail themselves of the many employment and business opportunities.

The mine industry will play its role. We will do our part. I believe that governments—federal, territorial, and aboriginal—must play the leading role. The successful development of resources in northern Canada needs the active participation of all levels of government and all members of Parliament.

•(1615)

We need champions in providing political support and encouragement and in repeating and delivering a very simple message of support for economic development and support for resource development in northern Canada.

Thank you.

•(1620)

**The Chair:** Thank you very much, Mr. Kearney.

Thank you, ladies and gentlemen, for your very concise and helpful presentations. It's very much appreciated.

We have 55 minutes for questions and comments, starting with a seven-minute round.

Mr. Calkins, go ahead, please.

**Mr. Blaine Calkins (Wetaskiwin, CPC):** Thank you, Mr. Chair.

Thank you, guests, for coming here and providing these presentations. I found it quite informative and helpful.

I've been on record asking questions about this kind of stuff for a very long time, when it comes to the timelines, and I'm horrified again to hear that some of these permits and so on seem to be taking so long.

As somebody who represents municipalities that recently went through the construction process through our economic action plan, I was horrified to learn that project funding would be on hold until environmental impact assessments were being completed. Because those were time-sensitive funding packages, somebody could simply miss getting several million dollars of project funding because somebody doing the environmental impact assessment had no motivation, no incentive, no framework whatsoever to get that file off their desk. If it wasn't for a member of Parliament trying to light a fire—it doesn't matter what member of Parliament happened to represent that municipality—it didn't seem to get done.

Now, I'm not trying to put myself out of work here, because I appreciate people knocking on my door and asking for my assistance, but the reality is we shouldn't have to go through this kind of a process. So to start things off, my question is what has Saskatchewan done recently? Have they changed things? I believe the example I was given was 13 months to get something taken care of in Saskatchewan, versus the horror stories that we're hearing of four years to five years to get through the permitting process.

That's going to be my first question. Can you tell me...? I think you mentioned Quebec was doing something well on that front as well.

**Mr. Robin Goad:** Those were only two examples.

**Mr. Blaine Calkins:** Two examples. I'd like to know whether those examples are being looked at.

Now, Mr. Kearney, you brought up the task force that's been created and has been working. I'm hoping that these things are being looked at, the nuances and the differences.

I apologize for stealing this question from some of my Saskatchewan colleagues here, but I'm curious to find out. I'll ask a couple of questions and then leave the floor open for those of you who want to answer.

Mr. Bubar, you said you've basically got all-stakeholder approval, that there was no resistance in any of the projects that you had.

Mr. Goad, I believe in your testimony you said, if can use the words, that aboriginal governments were doing something to suit their own purposes, which sounds to me like it's not quite as clean-cut as what Mr. Bubar said. I'm wondering what the nuance differences could be in that. I'll let you take your shot at that first set of questions.

I'm from Alberta. The Rocky Mountains is where I like to go fishing and hunting and so on, but most of the roads that I come across out there, other than the public roads, have a gate across them because they were built by an oil and gas exploration company or they were built by a forestry company, and those roads are owned by those companies. This is a public safety issue, because those roads were built and designed for hauling out logs, for big service vehicles and so on. When those leases are up or those cut blocks are taken care of, then there's public access into those roads. Those roads are obviously paid for by the company on a cost-recovery basis for access to the resource.

If you're going to ask me, as a politician, to make a recommendation that the Government of Canada or other levels of

government should be partnering and paying for some of this public infrastructure, which is the case, that money's going to have to come from someplace. It's going to have to come from the tax base. That means I'm going to have to increase payroll taxes or increase corporate taxes and so on, to balance off those needs.

I guess I'm putting the question directly to you: would you rather pay more taxes to have roads built by the government, or would you rather have less government and build your own road and get the permitting done quicker?

**The Chair:** It was directed to Mr. Goad, I believe.

**Mr. Robin Goad:** The first question I think Dr. Schryer will answer, and then I'll deal with the other two that were directed at our company.

**The Chair:** Go ahead, Dr. Schryer.

**Dr. Richard Schryer (Director, Regulatory and Environmental Affairs, Fortune Minerals Limited):** Thank you.

The question was, why is the permitting scenario different in Saskatchewan?

The steps, essentially, are the same in any permitting program in Canada. The difference is that they adhere much more closely to the timelines and they're far more efficient in getting things done.

I'll give you an example. As Robin mentioned—

**Mr. Blaine Calkins:** They're no less thorough, just faster?

**Dr. Richard Schryer:** Just faster.

We submitted our initial applications to the Wek'eezhii Land and Water Board in November 2007, and we submitted our applications in Saskatchewan in August of 2010. Both projects are essentially at the same stage now. We've submitted environmental assessments and we're at the information request stage.

The processes give you an idea of the difference. We're at the same place, even though in Saskatchewan we started about two and a half years later. As I said, it's simply a difference in approach and a difference in efficiencies, in terms of getting through the process.

•(1625)

**Mr. Robin Goad:** I'll now the address the issue of the first nations.

We actually have very good relations with our first nations group as well. In the Northwest Territories we have three agreements that were recently executed with the Tlicho government. One of the problems we have, though, is that we have a settled land claim with the Tlicho, but the Tlicho sort of lack a capacity to really administer their lands. They have just been going through a process where they're now basically in charge of these lands. They've been working on a land-use plan for four years. They're also dealing with some implementation issues.

One of those issues is just who has the authority to make decisions on the land. This isn't just endemic with our particular project. It's a problem with the Northwest Territories generally, who has the authority to make decisions. The first nations, in our particular case, have fee simple lands, and they're actually the landlords. We also have a right of access, and there are also overlapping issues with authority between the federal government and the Northwest Territories governments. I would very much support devolution as one of the ways of simplifying this process.

Also, just implementation of land claims jurisdictions is a real problem. The land-use plan process that the Tlicho are currently undergoing has now been four years or five?

**Dr. Richard Schryer:** It's five. They've just extended it to 2013.

**Mr. Robin Goad:** It's been five years. We've essentially had a moratorium on development in their lands while they undergo this process.

**Mr. Blaine Calkins:** The argument has always been made to me that because there is a lack of these agreements in place, there are land claims that haven't been resolved. What we're seeing here in this particular example is that the land claim has been resolved, yet it doesn't seem to be providing any further efficiency than where there's an unresolved land claim dispute causing the same frustration.

What is the incentive to move forward to resolve land claims? I mean, if it is frustrating to develop it from a development perspective—that's what I'm hearing—am I hearing you correctly?

**The Chair:** Mr. Calkins, you are out of time.

Maybe you can have a ten-second answer, Mr. Schryer.

**Dr. Richard Schryer:** I'll quickly point out that it's the implementation that is lacking. The roles and the responsibilities of the boards in the Tlicho government and the decision-making process are clearly laid out in the Tlicho land claims agreement. It's simply that they don't understand their own lands claim agreement, and the issue is that they need some consultation on how to move forward with that.

**The Chair:** Thank you, Mr. Calkins.

We go now to Mr. Bevington for up to seven minutes. Go ahead, please.

**Mr. Dennis Bevington (Western Arctic, NDP):** Thank you, Mr. Chair.

I want to thank the presenters here, because they do represent the future of the Northwest Territories in many ways. Mining will be a very strong industry in the north, and we all hope that we can solve many of the issues you're facing here. There's no question about that.

You know, I have to say that I served on the original regulatory board for approvals in 2000, when it was first promulgated. In those days we did manage to get through a number of environmental assessments in a very orderly fashion. It has devolved from that point to the situation that we have today. Some of it is capacity, and I think everybody in the Northwest Territories says that. In fact, the federal government this year is reducing the resources available to the board, so we may find that the capacity will actually be even further hindered.

We do need many things attached to that, and I don't want to take the time up with that right now. I wanted to question you a little bit more about some other issues, because you've talked about these quite well.

Ms. Jones, why is the federal government such a large partner with us in the Northwest Territories? Is it because the federal government still collects the royalties and retains the royalties from most of the activities that go on in the Northwest Territories?

• (1630)

**Ms. Hilary Jones:** Thank you, Mr. Bevington.

The federal government is a big partner in the development of training and delivery of training for aboriginal people in the north. They were a 50% partner in our last two ASEPs. We're an aboriginal skills and employment partnership program holder. During that last time, they invested \$24 million. Our industry invested even more than that in terms of the in-kind and actual cash contributions to delivery.

That's coming to an end on March 31, 2012, and there is nothing coming behind it.

**Mr. Dennis Bevington:** The federal government is a partner with us, and they're collecting the royalties from the development of the mining industry in the north. Are those royalties going to end for the federal government in March 2012?

**Ms. Hilary Jones:** I don't think so.

**Mr. Dennis Bevington:** No. So they have an active role here that's very important, and it's in their own self-interest. Mr. Calkins talked about where the money is coming from. Well, the money to the federal government for mining development in the north will come—even after devolution, a large chunk of money will return to the Government of Canada—from mining development in the Northwest Territories.

That's part of what we need to have said here today, I believe.

**Ms. Hilary Jones:** We can easily say that we can give you billions of reasons why mining is digging Canada out of debt. In order to do that, we have to invest in the north.

**Mr. Dennis Bevington:** You touched on another matter, Mr. Bubar and Mr. Goad, about the Government of the Northwest Territories investing in roads.

Right now, we're supposed to be a partner with the federal government in the Inuvik-Tuk road, where they're putting in \$150 million, and we're still trying to figure out where to get our section of the money from.

The Government of the Northwest Territories announced the other day that they need to get the borrowing limit improved so that they can invest as well in this territory, and right now the federal government controls that borrowing limit. Without the borrowing limit going up, there will be no extra resources for the Government of the Northwest Territories to invest in the roads for Mr. Goad, to invest in the electrical infrastructure to reduce the costs of doing business up there. Don't you think we should be encouraging this federal government to loosen the strings a little bit for the Government of the Northwest Territories?

I'll get you all to comment on that.

**Mr. Donald Bubar:** We're not planning to build a road, so that's an infrastructure requirement we're not particularly focused on. I'll let Robin comment on that.

Certainly power is an issue. Increasing the capacity for power generation from the Taltson dam there is important to the overall health of the economy in the north, to be able to attract new investment. Everybody is going to need power to build the kinds of operations we're talking about right now.

How that gets funded is perhaps subject for debate among the politicians. I really don't have a comment on what is the appropriate way to go. Obviously models need to be looked at. Creative models need to be looked at for how that can be most appropriately funded to satisfy the needs of industry up there.

**The Chair:** Mr. Goad, go ahead.

**Mr. Robin Goad:** First of all, resource revenues are basically going to the federal government right now until we have devolution, so the Government of the Northwest Territories is not adequately funded to be able to contribute to significant infrastructure projects. That is a problem. I would support devolution.

On the issue of roads and whether they pay for themselves, I completely agree with your comments that through investment in basic infrastructure you get a return from the resource development. Power is a particular problem because the current structure of the Northwest Territories Power Corporation precludes it from being able to invest in basic power generation and transmission capacity without having contracts. The problem is that with a development of power, for example, you need to invest long ahead of when a mineral project is going to happen. When a project has been determined to be economic, it's often too late to go through the process of environmental assessments and investments in the infrastructure to provide that power hookup. There's a problem with the moneys being available but also with the process.

**Mr. Dennis Bevington:** I just wanted to make a couple of comments here. One is on devolution. Even after devolution, the majority of resource revenue is still going to go back to the federal government. Devolution aside, that's not going to completely solve that issue, because I think our anticipated return is 5% or something over the cap that we have already in place.

The other side is that the power corporation can't invest as well because it would take the Government of the Northwest Territories over the borrowing limit. They couldn't invest in projects in the Northwest Territories right now because they don't have any financial capacity.

• (1635)

**Mr. Robin Goad:** I have a further comment on that. Our Nico development is only 22 kilometres from four hydroelectric dams, yet we're putting in diesel power generation because there is inadequate surplus power from that facility to be able to satisfy the electrical requirements of our mine, and the Northwest Territories Power Corporation cannot invest in expansions under its current structure. By the time they're able to develop new power, it would be too late. Our project will have been depleted.

**The Chair:** Thank you, Mr. Bevington.

Mr. McGuinty, up to seven minutes. Go ahead, please.

**Mr. David McGuinty (Ottawa South, Lib.):** Thanks, Mr. Chair.

Mr. Bubar, I'd like to begin with some of the comments you made earlier, which you've reduced to writing in your brief. You've raised some important concerns about the regulatory process from a developer's perspective.

Two bullet points really struck me. You said in one: "Unresponsive staff, unwilling to work collaboratively with the developer". And one of the bullet points following is perhaps even more striking. I think you used language of this kind in your brief; you said "Lack of impartiality in public meetings (anti-development bias)". What do you mean?

**Mr. Donald Bubar:** Well, exactly that.

In other jurisdictions where I've worked, when you're going through the permitting process and you run into specific issues that don't clearly fit within existing precedents or standard practice, you sit down with the regulators and figure out the solution that would allow the project to move forward. We're not getting that kind of collaborative spirit from the regulators within the review board we're working with. We think it should be.

My associate, David Swisher, who's here today, has had some prior experience with another project. He compares the process then, which was with a company called Tamerlane Ventures, with the process he's involved in now with Avalon and finds it completely different in terms of the willingness of the regulators to work collaboratively, just to exchange information to make the process work for everybody's benefit.

**Mr. David McGuinty:** When you say there's an anti-development bias in the regulatory process, do you mean there's an anti-development bias across the entire regulatory process in terms of the regulators you're working with?

**Mr. Donald Bubar:** In the review board, yes. We referred specifically to the public meetings held as scoping sessions, where the regulatory officer acts as the chair of the meeting. He addresses the meeting and makes remarks. In his remarks, he basically says that the mining company has to prove itself innocent of creating unnecessary environmental impacts. And that's not right. That's a bias that should not be with the chair of those meetings.

**Mr. David McGuinty:** If the regulator you're referring to were sitting beside you, what would he say in response to this?

**Mr. Donald Bubar:** I'm not sure what he would say.

Mr. Swisher, would you like to comment on that?

**Mr. David McGuinty:** I just want to get this right, because this is an extremely important comment you're making. I'm struck by the fact that we have an NDP MP who's a former member, if I understood, of the regulatory process of the board involved some years ago. Are you saying that...? I know you're not saying—at least I hope you're not saying—that you want this regulatory process to be pro-development, and have a pro-development bias. Right?

**Mr. Donald Bubar:** No. We just want it to be unbiased.

**Mr. David McGuinty:** Okay. I just wanted to clarify that, because it really struck me. Your comments were quite powerful in terms of the language you chose. I guess you deliberately chose it. It's interesting to hear.

I want to go to the second theme, if I could, for the three companies represented here—Avalon Rare Metals, Fortune Minerals, and Canadian Zinc.

Mr. Goad, in your brief you make some very important comments. You say in one bullet point, "Aboriginal Consultation & Rights & Title issues being used extract increasing payments from mineral developers despite government obligation of consultation." Then you go on to say, at the bottom of your page, that the B.C. government is refocusing from treaty negotiations to economic cooperation agreements and resource revenue sharing with first nations as a possible template for use in other jurisdictions.

So in that light.... And we've talked devolution here, so let's really talk devolution. In the case of Avalon Rare Metals, Fortune Minerals, or Canadian Zinc, are any of these three companies...? Are you involved now in equity participation deals? Do first nations own, in percentage, a part of these companies operating in and around their territories?

Mr. Bubar?

•(1640)

**Mr. Donald Bubar:** We are in the process of negotiating an equity participation arrangement with our aboriginal partners. Right now that is our objective, and that's what we think the future is for first nations participation in the mineral economy in the north.

**Mr. David McGuinty:** Thank you, sir.

Mr. Goad?

**Mr. Robin Goad:** We are trying to negotiate impacts and benefits agreements right now. But right now the Tlicho government is not at the table to negotiate these kinds of agreements.

We have just recently completed—

**Mr. David McGuinty:** Which kinds of agreements? Are they IBAs, impact and benefit agreements, or is it actual equity participation?

**Mr. Robin Goad:** Equity participation would certainly be one of the issues that would be under negotiation as part of an IBA. We just completed agreements with the Tlicho to fund their participation in the environmental assessment process, to fund traditional knowledge as well as a cooperation agreement.

I made some comments about land-use issues being used to escalate demands. For example, our traditional knowledge funding agreement we have with the Tlicho is \$370,000, which is about four times what is typical of these kinds of studies.

**Mr. David McGuinty:** So you were making investments in tech, in capacity, presumably ultimately in health—

**Mr. Robin Goad:** But they're escalating.

**Mr. David McGuinty:** —but they're isolated and they're not—

**Mr. Robin Goad:** No, they're escalating.

**Mr. David McGuinty:** They're escalating, but there isn't an equity here, participation with these first nations folks, is there?

**Mr. Robin Goad:** There's not currently an equity deal.

**Mr. David McGuinty:** Are they asking for that, demanding that?

**Mr. Robin Goad:** We're not at the table yet with impact and benefit agreements.

**Mr. David McGuinty:** Okay.

Mr. Kearney.

**Mr. John F. Kearney:** We have already signed impact and benefit agreements with two first nations, and under each agreement the relevant first nation participates in the projects for revenue sharing. So it's effectively, if you want to call it that, a type of royalty arrangement whereby a portion of the profit or of the revenue accrues to the first nation. It is necessary to have impact and benefit agreements, and under those agreements it has now become the norm to include revenue sharing or financial participation to secure the support of the relevant first nation. This support is essential to get a project permitted in the Northwest Territories.

The permitting system in the Northwest Territories is a co-management system. The boards are quasi-judicial. Because they're quasi-judicial, they're not like government agencies or departments. They're semi-independent and get their own legal advice. They do not respond to any federal authority, and as such, because they're a co-management system, they tend to be pro-environment.

Contrary to what you suggest, I would argue they should be pro-development. The purpose of the board is to issue permits, not to stop them being issued. I'm suggesting there needs to be a champion to negate the anti-development argument. The ministry of mines and economic development needs to be there as an advocate for development and for mine projects to counter the dominance of the environmental argument and the anti-argument.

**The Chair:** You're out of time, Mr. McGuinty. Thank you.

**Mr. David McGuinty:** Thank you, sir.

**The Chair:** We'll go to the five-minute round now and we are starting with Mr. Anderson.

Go ahead, please.

**Mr. David Anderson (Cypress Hills—Grasslands, CPC):** Thank you, Mr. Chair.

Mr. Goad and Mr. Kearney, I'm just wondering if you have the same concerns about the regulatory processes as Mr. Bubar. You've expressed some concerns, but would you put it in the same words as he has?

**Mr. Robin Goad:** Yes.

**Mr. David Anderson:** Okay, thank you.

Has the process in Saskatchewan sped up in the last few years? Is it better now than it was five years ago, or has it pretty much stayed the same?

**Dr. Richard Schryer:** We only have the singular experience in Saskatchewan, so I don't think we can have an answer to that.

**Mr. David Anderson:** Okay.

While you were talking about the approval process, it sounded as if the length of the process is the issue. That's what everybody has gone on about. I'm wondering if you are comfortable with the requirements. When this committee makes its report, are there ways we might be able to improve the requirements that are needed to reach approval? Are things duplicated in terms of requirements, or is your main concern the length of the process?

• (1645)

**The Chair:** Mr. Kearney, go ahead, please.

**Mr. John F. Kearney:** There are significant duplications and overlaps. For example, you could have seven government departments each independently submitting a report to the review board. Each of those seven departments comments on everything, instead of just commenting on what might concern them. There's significant waste and duplication at the government level, where there is no coordination, or not enough coordination, between the reports that are submitted by the government departments to the review board. So, no, I wouldn't say we're comfortable with the process. The process is too cumbersome, and it's not just timelines. The whole process is way too complex, way too uncertain, and needs to be reconstructed from the ground up, frankly, but because it's a function of the land claims, that's quite difficult to do.

The aboriginal governments know it's wrong too, so everybody needs to get back to the drawing board and ask how to fix this. It's not a tinkering; it's got to be reconstructed.

**Mr. David Anderson:** Mr. Schryer.

**Dr. Richard Schryer:** I'll simply add that there is the aspect of duplication that we have seen on a number of occasions.

On the diamond mines that have gone in ahead of us, the bar has continuously gone up because those large companies were able to put a significant amount of resources into environmental issues. Even though the issues are the same, if you look at the amount of resources that a junior mining company has to address a certain environmental issue, it's not the same as those of a large company. Even though the level of effort required may be lower, the expectation now is higher. So we're facing an escalation in requirements that sometimes aren't necessary to have our project approved. There needs to be a re-examination of the level of effort required, regardless of the project.

**Mr. David Anderson:** We're seeing an escalation of that in the oil and gas industry in the south as well. People have decided they won't go into a particular area because of requirements that are excessive, in my mind.

Mr. Bubar, you said you had been inspected 25 times just on your drilling. Was that done in a fair and reasonable way? Were people just keeping a good eye on what you were doing, or do you think there was some bias there and some attempt to try to interfere with what you were doing?

**Mr. Donald Bubar:** We didn't find any bias in that process whatsoever. The land-use regulations are fairly strict. There are a lot of things you have to comply with under different permits. It's well understood that you're going to be inspected from time to time to make sure you're in compliance.

We've taken the approach right from the start that the rules are the rules and we're going to follow them. The land-use inspector has recognized our good intentions there, and we've never had any real issues with that process.

**Mr. David Anderson:** That's not an area where you're suggesting changes.

**Mr. Donald Bubar:** No.

**Mr. David Anderson:** Ms. Jones, we've often used the line here that a job is the best social program there is. As an impact on government, in your presentation you show a reduction in social assistance payments. I wonder if there is anything you'd like to say about that. We have a major number of people coming off social assistance, and a few of them going back on it. Do you want to talk about the impact of that on communities? Is it really changing communities? You talked about a couple of individuals, but tell me about the impact your job-training programs are having on communities.

**Ms. Hilary Jones:** Thank you. I would love to talk about that.

We did look at long-term impact, and there was an impact on government. We did a test on the trainees we had during our first ASEP, and we were able to match 119 of them. As of December 2007, 11% of the original group were receiving income assistance, whereas in the first group we looked at, 70% were on income assistance.

When we finished the study, 3% were on wage subsidy and 9% were on student financial assistance. If they were on wage subsidy that meant they were in an apprenticeship program. If they were on SFA, they were in post-secondary education. So there was a significant impact from the training.

**Mr. David Anderson:** How is it changing people's expectations of jobs? Do the younger people have different expectations when they are thinking about working in the north? Are they preparing themselves ahead of time better than you've seen in the past, or have you seen that kind of impact yet?

**Ms. Hilary Jones:** We've seen the average age of our trainees drop, and their qualifications coming from high school are higher.

**Mr. David Anderson:** Okay, so they see some future—

**Ms. Hilary Jones:** There is a future in mining.

**The Chair:** Thank you, Mr. Anderson. Your time is up.

Mr. Trost has up to five minutes, please.

• (1650)

**Mr. Brad Trost (Saskatoon—Humboldt, CPC):** Thank you, Mr. Chair.

I wasn't too surprised today by some of the general comments about regulatory problems. I worked as a junior geophysicist in the north, and I was quite familiar with senior geologists spending the majority of their time on paperwork instead of project work.

I did appreciate it, Mr. Kearney, when you noted a couple of pieces of legislation that you'd like to see move forward. We've heard about the generalized problem. I'm now interested in some of the specifics.

Are there specific processes, boards, or items that you think could be eliminated to make it more like the wonderfully quick people from Saskatchewan? We're all fairly quick down there. Are there any specifics you have to add to some of your earlier ones?

**Mr. John F. Kearney:** Both the Chamber of Mines and the Mining Association of Canada have issued detailed recommendations as to how the legislation process could be improved.

I'm afraid there is a very long list one could come out with. There are certainly significant uncertainties surrounding the whole issue of aboriginal consultation. Who is responsible for consultation? Who is supposed to do it, and at what level? Frankly, the courts have not helped with the various decisions, which has created more uncertainty.

There seems to be reluctance on the part of the government in trying to see how some form of universal consultation process could be put in place. That needs to be legislated.

Beyond that, I could say that one should eliminate the right of appeal from a review board. That might sound terribly contradictory, because a right of appeal to the courts is always a safeguard. On the other hand, the fact that it's there tends to have it used unnecessarily.

There are timelines that need to be imposed all across the board. As I said earlier, the role of the federal government departments inputting into the review process needs a significant streamlining. It's questionable as to whether it's even needed. It certainly should be pulled way back.

Timelines are very, very important. That needs to be legislated. There are also lots of other changes that can be put in. Thresholds for small projects is perhaps the most important, for example, with an exploration project that only needs a drill hole or a couple of drill holes.

The reason that junior exploration has stopped in the Northwest Territories is that a prospector can no longer stake a claim and drill a hole because he has to go through this elaborate process. Even a small junior exploration company that only wants to drill two holes, or whatever it wants to drill, is forced into a very elaborate two-year to three-year process, which is probably not funded by flow-through shares that have to be spent within 18 months.

It's a chain that just isn't working. Thresholds definitely need to be changed, timelines need to be imposed, and government involvement in the review process needs to be reduced.

People talk about capacity and giving them more money so they can study more, but I'm not in favour of that. I'm in favour of less money so they can do less work.

**Mr. Brad Trost:** Is there anything else from the other gentlemen?

**Mr. Donald Bubar:** Yes, I have something. I would not be in favour of government legislating on the consultation process. I believe that will ultimately resolve itself.

The way this industry will evolve is that aboriginal people will become more involved in the industry. They will become greater participants. Ultimately they will be the mining industry, so they will be consulting with themselves if this picture unfolds the way it should. Ultimately they are the dominant human resource in the

north. If Hilary's programs are successful in creating the skills in those people, they will become the miners and developers of the future. The whole consultation issue will start to fall away because aboriginal people are running the industry.

Another hat I wear is that I chair the aboriginal affairs committee for the Prospectors and Developers Association of Canada. The main mission we have there is to encourage greater participation by aboriginal peoples in the industry, as a solution to that issue.

**Mr. Brad Trost:** I have about 40 seconds. Is there anything quickly?

If not, my last question is what would you recommend to try to move timelines to being much more precise? As some of the witnesses said earlier, Saskatchewan goes through the same processes, but at a much quicker pace.

**Dr. Richard Schryer:** I would say that a necessary step would be adherence to the timelines. Far too often timelines are extended for a variety of reasons and processes, such as Mr. Bubar said. The scoping sessions and the information request sessions all get prolonged and prolonged for one reason or another. There's no real will on the board's side to actually adhere to the timelines and say, "We're doing this in 60 days. That's the time you have and we're going to get it done in that timeframe." That just doesn't happen. It gets prolonged and prolonged, for whatever reason. A good first step would be to adhere to timelines and make everybody respect them, whether they be government regulators or first nations groups.

● (1655)

**The Chair:** Very briefly.

**Mr. Robin Goad:** I would add one last comment. The minister himself is a part of the problem, with the length of time it takes for the minister to sign an environmental assessment certificate. Generally speaking, we find the minister almost goes through a review process all over again. It's an average of 348 days that it's taking for the minister to sign. He basically has a recommendation from the environmental assessment review board, so he should be following that and signing.

**The Chair:** Thank you very much.

Thank you, Mr. Trost.

Monsieur Lapointe, for up to five minutes. Go ahead, please.

[Translation]

**Mr. François Lapointe (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, NDP):** Thank you for your presentation, gentlemen. I learned a good deal.

Most of my questions will be for the people of Fortune Minerals Limited. I'm pleased to be meeting people speaking on behalf of a Canadian company investing in mines in Canada.

[English]

**Mr. Robin Goad:** I'm sorry to interrupt, but how do I get the translation channel?

**The Chair:** It's the bottom button and the top one is volume.

Monsieur Lapointe, go ahead please.



[Translation]

**Mr. François Lapointe:** As I say, I'm pleased to be meeting people speaking on behalf of a Canadian company investing in mines in Canada. It's a matter of considerable importance to our party.

You spoke of a South Korean partner. What is their investment share compared to yours? Is it 50-50? 30-70? How does it work?

[English]

**Mr. Robin Goad:** The partner, POSCO, a South Korean steel company, is actually 20%. This was part of a process where we wanted not only a financial partner, but also a strategic partner.

This is a very important metallurgical coal asset. Metallurgical coal is in very significant shortage of supply, so we're seeing a lot of backward integration types of transactions where steel companies are doing these kinds of agreements or joint ventures in order to secure their source of supply of key commodities.

[Translation]

**Mr. François Lapointe:** Is the remaining 80% of the capital entirely Canadian?

[English]

**Mr. Robin Goad:** Yes, 80% is Fortune Minerals Limited, our company.

[Translation]

**Mr. François Lapointe:** In this case it is a Canadian company. Very well. That's fine.

What kinds of metal will the Saskatchewan plant be transforming and to what end?

[English]

**Mr. Robin Goad:** The process plant in the Northwest Territories produces a concentrate, a bulk rougher flotation concentrate, which allows us to be able to inexpensively transport this material down to a lower-cost environment.

In Saskatchewan we will use hydrometallurgical technologies to convert the concentrate into separate cobalt and bismuth concentrates. Then we do further refining to produce gold doré, cobalt cathode, or a cobalt sulphate, for use in producing batteries, and we'll produce a bismuth ingot and a copper cathode material.

[Translation]

**Mr. François Lapointe:** Once this material is transformed, is most of it used by Canadian processing companies, or is it mainly exported outside the country?

[English]

**Mr. Robin Goad:** We will determine that in the future, but we would expect that the market would be global. In particular, cobalt is in very significant demand for high-performance rechargeable batteries used in electric cars and hybrid electric cars, as well as portable electronic devices. So the market is global, but many of those batteries are produced in Asia. But there are also new plants being constructed in North America to use that kind of material.

Bismuth is a non-toxic replacement for lead, used in virtually everything lead is used in. It's also used in medicines, and we expect

that the market would be predominantly in Europe and North America.

• (1700)

[Translation]

**Mr. François Lapointe:** Thank you.

Amongst your frustrations with development in the north, you mentioned the electricity issue. I believe one of you spoke of hydroelectricity, but obviously there's also wind turbine generated electricity. It's a pretty solid resource, up there, that could be useful.

Would you be in favour of setting up a solid sustainable energy development plan that would be of help to the communities up there, but would at the same time provide you with access to a stable source of electricity at a price less than what you pay for diesel?

[English]

**Mr. Robin Goad:** In my opinion, so-called green methods of generating electricity are not sufficient for baseload. The only way to achieve baseload is through nuclear, burning of fossil fuel, or using gravity and water, basically, to produce energy.

[Translation]

**Mr. François Lapointe:** This includes hydroelectricity? It could provide the required energy, correct?

[English]

**Mr. Robin Goad:** Hydro is the best form of energy and is adequate for baseload. For example, where Diavik is investing in a 9.2 megawatt wind farm, this would be used in conjunction with its diesel plants. In other words, when the wind is blowing it will be generating electricity, but it will still need a source of fossil fuel to generate its baseload.

In terms of investment, our project is only 22 kilometres from four hydroelectric dams, and those dams could be expanded and provide us with the electricity we need. That would reduce our dependence on burning fossil fuel and lower our energy costs, which would make our project more competitive.

**The Chair:** Your time is up.

We go now to Mr. Lizon for up to five minutes.

**Mr. Wladyslaw Lizon (Mississauga East—Cooksville, CPC):** Thank you and good afternoon.

Maybe I'll continue. I'll just ask a final question, if some of you gentlemen might comment on it.

What source of energy would you consider sufficient for your needs for the future? You mentioned fossil-fuel-burning facilities or nuclear. Do you have plans of using portable plug-in nuclear solutions that actually exist now?

**Mr. Robin Goad:** The mini-nukes that can produce up to 10 or 20 megawatts are fantastic technology, and I think there's a real place for them in the mining industry in the future.

I would not want to be a pioneer in trying to get a permit for one.

**Mr. Wladyslaw Lizon:** Therefore, if I understand correctly, from your point of view there's really no substitute for what you have: either diesel plants, coal-burning plants, gas-burning plants, or nuclear.

**Mr. Robin Goad:** In my view, both of our projects are quite proximate to hydro sources, which are clean, renewable sources of electricity. The problem in the Northwest Territories is investment in expanding those facilities. If we don't have access to grid power, then we have to put in some kind of independent power source, and in the Northwest Territories those are typically diesel plants, because that's the most efficient fuel, basically, from transportation.

However, we're also looking at the possibility of using compressed natural gas, which is significantly cheaper and also highly efficient, but it's not very good for variable loads. It's fine for baseloads, and when you're using mining equipment and you turn on a ball mill, for example, then you've got very significant demand loads. Diesel is the best alternative in that particular case.

I guess I'm coming back down to the issue of our thinking that there's a place for government to invest in basic infrastructure, whether it be roads or power, to enable development of resources in Canada and particularly in the north.

• (1705)

**Mr. Donald Bubar:** I can add to that point on power generation. Actually, we are looking at supplementing our power needs at the site with renewable energy. One of the attributes of our site is that we're at the end of Great Slave Lake and it's a particularly windy area. We think we may have an economic wind resource that could be used to supplement our power requirements at the site. We have a tower there now, testing wind speeds to see if that is a viable alternative for us.

Geothermal is another renewable energy source we're going to look at as well.

So there is scope for some creativity on energy in the Northwest Territories.

**Mr. Wladyslaw Lizon:** Thank you.

I would like to change the subject to training, because Madam Jones had a presentation I'm really interested in, and I think the committee would be interested in hearing about future plans.

What's the involvement of mining companies in a training program? A training program works to everybody's benefit—the people who get trained and of course the employers who would employ people and are looking for skilled people. How does it work together?

**Ms. Hilary Jones:** I really appreciate that question.

We work in partnership with the industry. I've worked with every one of these mining companies in developing training. We have the skills partnership fund, and we're working with Canadian Zinc to help develop capacity, not only for the mining area but for the local community governments as well. We've targeted those. We've worked with Avalon ventures in developing diamond drillers for their site, as well as medical first responders. I'm really looking forward to working with Mr. Goad's company and the Tlicho, because the Tlicho government actually sits at our table as well.

When you look at the mine training organizations, their partnerships are made with the mining companies, the aboriginal governments, and public government. We all leave the politics at the door and we concentrate on developing the human resources that are needed for that area. It's been a very successful model that's been exported around Canada.

Our challenge is the funding, the ongoing funding. Our industry is coming to the table to actually supplement that funding.

**The Chair:** Thank you, Mr. Lizon.

We go now to Madame Day, for up to five minutes.

[Translation]

**Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP):** Welcome.

We all dream of a better world, by which we mean a better society, a better environment and a better economy. Our questions are based on our trying to find a balance in all this. We want our children and our children's children to inherit sustainable development.

My first questions are for Mr. Kearney. I would like to know who owns Canadian Zinc Corporation and what percentage of the company's investments are Canadian.

[English]

**Mr. John F. Kearney:** Canadian Zinc is a Canadian company that is almost 100% owned by Canadian shareholders. It is listed on the American bulletin board stock exchange, so we would have some U.S. retail shareholders, but percentage-wise, I would say that 70% to 80% of the shares are owned by Canadians, with perhaps 10% to 20% of the shares outside the country.

[Translation]

**Mrs. Anne-Marie Day:** Besides taxes, will Canada receive royalties?

[English]

**Mr. John F. Kearney:** Yes, there are royalties payable to Canada on all mine development in the north.

[Translation]

**Mrs. Anne-Marie Day:** When the mines will be in operation, what percentage of them will be operating?

[English]

**Mr. John F. Kearney:** It's a sliding scale. I don't have the exact numbers with me, but it's approximately 5% tax. That's a mining tax in addition to the profits tax, of course, that will be paid on normal corporate profits. There's also a mining tax that's payable directly on the mining revenue.

[Translation]

**Mrs. Anne-Marie Day:** That's fine.

I have one last question for you, then I will turn to Ms. Jones.

Who are your major potential clients and buyers?

[English]

**Mr. John F. Kearney:** Our company will produce a lead and zinc concentrate. That is, our principal products are lead and zinc, but they're not in final form. They have to go to a smelter.

There are four lead-zinc smelters in Canada—well, there are three now, because the one in Timmins has recently shut down—so the likelihood is that the lead and zinc concentrate will be transported to the Trail smelter in British Columbia, or the Horne smelter in Quebec, or perhaps the Flin Flon smelter in Manitoba.

However, that's a function of how this gets financed. The likelihood is that we will have to seek financing overseas, in which case the product will be exported, probably to Asia, as part of a total financing package where we will seek foreign investment from perhaps Japan, Korea, or China.

• (1710)

[Translation]

**Mrs. Anne-Marie Day:** Thank you.

Ms. Jones, I have two questions for you. The first will be very short. What is the average age of the native people undergoing training for work in the mines?

[English]

**Ms. Hilary Jones:** Thirty years old.

[Translation]

**Mrs. Anne-Marie Day:** Thank you.

My other question is about the program you have spoken of. You said it was about to come to an end?

Everyone here has at least a B.A. an M.A., a Ph.D. or post-doctoral studies. When you speak with the native communities, these people have perhaps completed their 1st, 2nd or 3rd year of elementary school, or some may have finished their 5th grade or may have started High School. These clients aren't very educated and you train them for the situation.

If your training undertaking came to an end, what effect would this have on workers and future workers whom you are trying to integrate into the companies?

[English]

**Ms. Hilary Jones:** If our organization didn't exist and we didn't have the funding to continue, I guarantee that the attachment to the labour force would drop.

The average individual we're working with does not have a high school diploma. We're lucky if they have grade 10. From the data I've looked at for our trainees, I think four have had post-secondary education. That's out of the 800 we've worked with. And 75% don't have a high school diploma. Some have a GED or have done upgrading.

We're dealing with folks who do not have the basic education to get into the mining industry, and we've been having a great deal of success in getting those individuals trained. We can train to the skill set, to the competency, as opposed to the theoretical piece.

**Mr. John F. Kearney:** Could I just add to that?

The funding for these programs is set to expire at the end of March, but we have made application to the government, and the industry organizations have made representations that the programs be extended or replaced by equivalent programs. So we are seeking the support of the government in the budget speech to see a continuation of these programs, because they're absolutely vital to the mining industry in the north. Not only are they vital, but they are having tremendous positive benefits.

Our company has been one of the beneficiaries of some of these programs, and I can tell you that the benefit in the community is very, very significant. Even though we're not yet in production, the communities we serve are already benefiting from these programs.

So we are asking the government to extend those programs or introduce a new equivalent program when that first program expires. It's a technical reason that it's expiring, so we hope it will be replaced.

[Translation]

**The Chair:** Thank you, Ms. Day.

[English]

Mr. Allen, you have about two minutes before we suspend the meeting to go in camera.

**Mr. Mike Allen (Tobique—Mactaquac, CPC):** Okay, thank you, Chair, for all that time.

Ms. Jones, I'll start with you.

On the challenges and opportunities you mention, you talk about the sunset of the program, then you talk about a pan-territorial strategy discussion on October 13, and then you talk about the development of a natural resources workforce development strategy.

What was the outcome of that October 13 meeting? Does it make sense to ask for a renewal of the ASEP program in its existing form before you've gone through these strategy sessions and you've had an output from that session?

**Ms. Hilary Jones:** The outcome of the October meeting was that the three mine training organizations of the north—the Yukon Mine Training Association, ours, and the Kivalliq—have been given a task to develop a pan-territorial strategy that will take us ten years down the road. We're not going to really hit our stride in mining until 2017, when we have 9,000 miners, and it's going to take time to train people—our aboriginal and northern workforce—to be able to take opportunity out of that.

ASEP is sunseting. It's run its ten years under Treasury Board. They have not announced a successor project to that. So we're taking the bull by the horns and developing the strategy, giving ourselves a two-year timeline to be able to bring it forward to the Government of Canada to try to develop something that will allow the mining industry in the north to continue to benefit the rest of Canada.

**Mr. Mike Allen:** The point on that, too, is whether there are ways you can make recommendations as to how that program can be better delivered and more efficient.

Then the second thing is that I did notice that your labour curves drop off quite a bit in the 2025 to 2027 range. But do you anticipate the requirement of a significant number of foreign workers to top that up? What suggestions would you have on the immigration process?

• (1715)

**Ms. Hilary Jones:** If we could identify under the ministerial instruction that individuals having mining backgrounds be allowed to come through faster into Canada, that would assist in the short term.

It does talk about the drop-off, but we haven't even talked about the exploration that's going on in the Yukon. With the GEM project, we're finally identifying the haystacks in Nunavut and the Northwest

Territories. We're just getting started in mining. Those are just the advance projects.

**The Chair:** Thank you, Mr. Allen.

Thank you all very much. The information you've given us today has left us with some clear messages, and we thank you for that. I'm sure this information will find its way into our report.

Thank you very much.

I'll suspend the meeting for a minute or two to go in camera. We'll come back to discuss future business.

*[Proceedings continue in camera]*

---







**MAIL  POSTE**

Canada Post Corporation / Société canadienne des postes

Postage paid

Port payé

**Lettermail**

**Poste-lettre**

**1782711  
Ottawa**

*If undelivered, return COVER ONLY to:*  
Publishing and Depository Services  
Public Works and Government Services Canada  
Ottawa, Ontario K1A 0S5

*En cas de non-livraison,  
retourner cette COUVERTURE SEULEMENT à :*  
Les Éditions et Services de dépôt  
Travaux publics et Services gouvernementaux Canada  
Ottawa (Ontario) K1A 0S5

Published under the authority of the Speaker of  
the House of Commons

### **SPEAKER'S PERMISSION**

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Additional copies may be obtained from: Publishing and  
Depository Services  
Public Works and Government Services Canada  
Ottawa, Ontario K1A 0S5  
Telephone: 613-941-5995 or 1-800-635-7943  
Fax: 613-954-5779 or 1-800-565-7757  
publications@tpsgc-pwgsc.gc.ca  
http://publications.gc.ca

Also available on the Parliament of Canada Web Site at the  
following address: <http://www.parl.gc.ca>

Publié en conformité de l'autorité  
du Président de la Chambre des communes

### **PERMISSION DU PRÉSIDENT**

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

On peut obtenir des copies supplémentaires en écrivant à : Les  
Éditions et Services de dépôt  
Travaux publics et Services gouvernementaux Canada  
Ottawa (Ontario) K1A 0S5  
Téléphone : 613-941-5995 ou 1-800-635-7943  
Télécopieur : 613-954-5779 ou 1-800-565-7757  
publications@tpsgc-pwgsc.gc.ca  
http://publications.gc.ca

Aussi disponible sur le site Web du Parlement du Canada à  
l'adresse suivante : <http://www.parl.gc.ca>