



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Aboriginal Affairs and Northern Development

AANO • NUMBER 008 • 2nd SESSION • 41st PARLIAMENT

EVIDENCE

Thursday, December 5, 2013

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Chair

Mr. Chris Warkentin

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•(1100)

[English]

The Chair (Mr. Chris Warkentin (Peace River, CPC)): Colleagues, we're going to call to order this eighth meeting of the Standing Committee on Aboriginal Affairs and Northern Development.

Today we have the privilege of having our minister come back. He was here last week.

We appreciate your becoming a regular fixture at this committee and always being willing to come here.

Minister, I'm going to turn it over to you immediately for your opening statement. We only have one hour with you this morning. If you want to introduce your officials—it's great to see them here as well—I'll turn it over to you immediately and we'll hear from you. Then, of course, in our second hour we have another full hour.

Minister, please go ahead.

[Translation]

Hon. Bernard Valcourt (Minister of Aboriginal Affairs and Northern Development): Thank you, Mr. Chair.

Joining me this morning are four officials who worked very hard to produce this bill and meet the target effective date of April 1, 2014.

I will ask them to introduce themselves briefly and to tell you about their duties. We could start with Ms. Isaak.

[English]

Ms. Paula Isaak (Director General, Natural Resources and Environment Branch, Northern Affairs, Department of Indian Affairs and Northern Development): Good morning. I'm Paula Isaak, director general for natural resources and environment.

Ms. Tara Shannon (Director, Resource Policy and Programs Directorate, Northern Affairs, Department of Indian Affairs and Northern Development): Good morning. I'm Tara Shannon, director of resource policy and programs.

Mr. Wayne Walsh (Director, Northwest Territories Devolution Negotiations, Northern Affairs, Department of Indian Affairs and Northern Development): Good morning. I'm Wayne Walsh. I'm the director of devolution and major program transfers with the Department of Aboriginal Affairs.

Mr. Tom Isaac (Senior Counsel, Negotiations, Northern Affairs and Federal Interlocutor, Department of Justice): Good morning. I'm Tom Isaac, with the Department of Justice.

[Translation]

Hon. Bernard Valcourt: When things are going well, I'm the reason, and when things are going badly, they are to blame, of course.

Mr. Chair, thank you for the opportunity to discuss Bill C-15, the Northwest Territories Devolution Act. I appreciate the invitation to appear on the proposed legislation, which I had the pleasure of introducing in the House and speaking to at second reading earlier this week.

Bill C-15, the Northwest Territories Devolution Act is the final step for the federal government in devolving powers to the Northwest Territories. This legislation would bring into effect the Northwest Territories Lands and Resources Devolution Agreement, which would provide the people of the Northwest Territories with the ability to make their own decisions about lands and resources in their own backyard.

I had the privilege of signing the final Devolution Agreement on behalf of the Government of Canada in Inuvik this past June, along with the Premier of the Government of the Northwest Territories, as well as five of our aboriginal partners in the Northwest Territories—Inuvialuit Regional Corporation, the Northwest Territory Métis Nation, Sahtu Secretariat Incorporated, Gwich'in Tribal Council and Tlicho Government.

As you know, we continue to work toward a target effective date of April 1, 2014, as requested by the Premier of the Government of the Northwest Territories and agreed to by the Prime Minister and all parties to the Devolution Agreement.

Bill C-15 would also modernize and improve the regulatory regime in the Northwest Territories by amending the Mackenzie Valley Resource Management Act, the Northwest Territories Waters Act and the Territorial Lands Act.

•(1105)

[English]

As I just said, Bill C-15 would also modernize and improve the regulatory regime in the Northwest Territories by amending three specific acts: the Mackenzie Valley Resource Management Act, the Northwest Territories Waters Act, and the Territorial Lands Act.

I wish to assure the members of this committee that we are confident this bill, as a whole, would ensure that a modern, efficient, and effective land and water regulatory system is in place when the Government of the Northwest Territories assumes increased responsibilities in respect of lands, waters, and resources by the target devolution date, effective April 1, 2014.

Our government and the Government of the Northwest Territories agree that changes brought about by Bill C-15 would ensure that northerners benefit fully from the transfer of management over lands and resources post-April 2014.

Members of this committee are already well versed, I believe, in the benefits of regulatory improvements such as the ones proposed in Bill C-15. I say this because not long ago we reviewed together—and you reviewed in detail—Bill C-47, the Northern Jobs and Growth Act, which implemented reforms to Nunavut's regulatory regime, among other pieces of legislation.

It is vitally important, we submit, that the Northwest Territories not fall behind the other two territories, or the rest of the country for that matter, in its regulatory system. The need for regulatory reform becomes even more apparent as territories acquire increased authorities and responsibilities. An effective, responsive, and modern regulatory regime ensures that the territories—specifically, in the case of Bill C-15, the Northwest Territories—will be poised to benefit fully from increased resource development and local management of lands and resources resulting from devolution.

The introduction of a modern regime in the Northwest Territories will also meet the needs of investors, developers, and employers who must rely on a clear and predictable review and assessment process to remain competitive in a global marketplace given the high cost of business in the north.

Just last week the Government of the Northwest Territories released their first ever mineral development strategy, which I recommend all members to read and look at. It speaks to the tremendous potential of the Northwest Territories to become an economic powerhouse and to the wealth of mineral resources in the territory.

The Government of the Northwest Territories, Mr. Chairman, further states that in order to address investment challenges and unlock the potential, they need a solid regulatory framework in place. If I may, I'd like to quote Minister Ramsay from the Government of the Northwest Territories, who said "Restoring a positive investment climate in the NWT is critical if we are to discover new deposits and establish new mines...".

The legislative amendments proposed in the Northwest Territories Devolution Act respond to these criticisms that have been raised for many years now, and will position the Northwest Territories to take advantage of the many economic opportunities in the region in a sustainable and responsible manner.

As many of you know, five years ago our government appointed Mr. Neil McCrank to look into these very issues and identify potential reforms for northern regulatory regimes. Based on his recommendations, our government announced the action plan to improve northern regulatory regimes.

The action plan was launched to make improvements to the existing regulatory regimes across the north to ensure that they are strong, effective, efficient, and predictable by making reviews of projects more predictable and timely; reducing duplication for project reviews; strengthening environmental protection; and finally, respecting consultation obligations with aboriginal groups.

Consultations on the action plan to improve northern regulatory regimes, including legislative amendments to the regulatory regime in the territories, have been ongoing since 2010.

In addition, our government appointed John Pollard to consult with aboriginal organizations on the possibility of restructuring the land and water boards in the Mackenzie Valley. Since that time, Mr. Pollard has held over 50 consultation meetings with aboriginal groups and organizations, co-management boards, and industry.

As you can see, we didn't arrive at the bill before you overnight. Rather, the bill you see before you today is the product of extensive consultations. These consultations involved all of the boards affected by the proposed amendments, because as you all know, some boards are indeed affected. The consultations involved industry stakeholders and representatives of the Government of the Northwest Territories.

• (1110)

Aboriginal organizations with and without settled land claims in the territory, as well as those with relevant trans-boundary claims in the territory also participated. In all, 24 aboriginal organizations were invited to participate in the technical consultation sessions and funds were made available to assist them in doing so.

As the consultation progressed, additional policy issues and other pieces of legislation were also considered. Eventually, final legislative proposals took shape and these became the focus of technical consultation sessions ending in October of this year. Bill C-15, Northwest Territories Devolution Act, is the result of this process.

At these sessions, some participants expressed specific concerns about the proposed amendments, and the Government of Canada carefully considered these comments in the bill before you and incorporated a number of these recommended measures as a direct result of those technical sessions. For example, Bill C-15 requires that the chair of the restructured Mackenzie Valley Land and Water Board consider including at least one regional nominee on smaller committees when reviewing development wholly within those regions. This amendment, first proposed by one of the aboriginal organizations that participated in the consultations, is an example of the collaboration, feedback, and accommodation that produced Bill C-15.

Another recommendation led to the redrafting of development certificate provisions to further align the proposal with similar provisions in the Nunavut Planning and Project Assessment Act, NPPAA. I think it will be evident to the committee that adoption of the Northwest Territories Devolution Act is imperative to empower the people of the Northwest Territories to shape their own future, and will ensure the long-term economic prosperity of the territory and indeed of all of Canada.

Mr. Chair, I want to thank you, and I will do my best to answer members' questions.

• (1115)

The Chair: Minister, we want to thank you for your opening statement.

We'll begin the rounds of questioning with Mr. Bevington for the first seven minutes.

Mr. Dennis Bevington (Western Arctic, NDP): Thank you, Mr. Chair, and thank you, Mr. Minister, for appearing before us today. I'll start by saying that in September of this year I wrote you a letter asking the department to consider separating these two bills and presenting them to Parliament. The only answer I received was that of the bill arriving in Parliament two days ago.

This issue of these two bills proceeding at the same time has caused a lot of division and confusion in the Northwest Territories, and certainly many of those first nations groups that you mentioned were supporting devolution now are not supporting the recommendations made about the Mackenzie Valley Resource Management Act. That's a statement.

I want to talk a little about some of the things that you talked about. I want to stick with the Mackenzie Valley Resource Management Act, because it is the contentious part of this legislation. You said in your speech yesterday, "For those who may be skeptical about what this bill can achieve, look no further than the Yukon to see the benefits that devolution and a modern regulatory system can have on an economy".

Fair enough, but in the Yukon, the process of assessment approval of course depends on whose land the proposed project is on. If it's under the jurisdiction of the territorial government, then that body makes the decision on the approval process. In Bill C-15 we have a problem that already existed in the environmental audit for the Northwest Territories in 2010, when they said that most of the problems with environmental assessments were showing up when getting approval from the minister. In Bill C-15, the minister of the crown is the one who continues to make the approvals on environmental assessments under the Mackenzie Valley Resource Management Act.

So now we have a situation whereby one government is in charge of land and administration, environmental issues, and the federal government retains full control over the decision-making for development projects.

Can you explain how this is going to modernize the system when all you've done is change it very slightly?

It's certainly not in the model put forward 10 years ago for the Yukon territory.

Hon. Bernard Valcourt: With all due respect to the statement of information you just made, the Yukon board is a federal board, just like it will be in this proposal. For your information, in case you don't know, the appointments to the Yukon boards are made by this minister, just as proposed to happen with the Northwest Territories.

I've heard you make statements about the impact of these amendments. In all fairness to the proposal and to the people who have listened to you, what you have omitted to tell them is that Bill C-15 implements a devolution agreement that was negotiated with

the Government of the Northwest Territories and the aboriginal parties over a long period of time.

Just as in every other province and territory, the federal government will keep the power to participate and do environmental assessments, because we will still hold lands and we must have the power to protect the best interests of Canada. If we did not do it for the Northwest Territories, it would be the only jurisdiction in the country where the federal government would be deprived of that power.

Mr. Dennis Bevington: Minister, we're not speaking of the federal lands; we're speaking of all the lands.

Hon. Bernard Valcourt: Let me complete my answer.

The proposal before this committee, before the House, before Parliament, is fully endorsed by the legitimate Government of the Northwest Territories.

• (1120)

Mr. Dennis Bevington: Minister, you know that the federal lands remain under federal control. But for the lands in the Yukon that are under territorial control, those decisions are made by territorial governments. Under Bill C-15 the development approvals for the Mackenzie Valley Environmental Impact Review Board will go through the minister of the crown. Is that not the case?

Hon. Bernard Valcourt: When you talk about the Mackenzie Valley Resource Management Act and the role of the federal government, all responsible ministers will make decisions under C-15, and that includes the territorial minister. What you don't seem to grasp is that the devolution agreement has provided an instrument whereby the federal minister, the Government of Canada, will delegate to a minister of the territorial government certain powers under the devolution agreement. It was agreed to in chapter 3 of the devolution agreement.

If you look specifically at 3.17, you will find that Canada will delegate to the Government of the Northwest Territories the ability to approve the issuance of certain water licences; hold money as security to make sure that land and water users follow the rules; choose land and water inspectors; keep track of the effects of land and water use over time; and coordinate environmental assessment decisions under the Mackenzie Valley Resource Management Act.

In addition to what was already agreed—

Mr. Dennis Bevington: Minister, if you want to talk out my time, that's fine by you but it's not fine by me.

Hon. Bernard Valcourt: You don't want the answer?

Mr. Dennis Bevington: I don't want you to talk out the clock. I have a lot of questions to ask on this particular bill. You realize that. This is a complex affair. We don't need to obfuscate the proceedings. I think these are important issues to the people in the north.

The Chair: Thank you, Mr. Bevington. Your time is now up.

We'll go to Mr. Leef for the next round of questions.

Mr. Ryan Leef (Yukon, CPC): Thank you, Mr. Chair, and thank you, Minister, for your presentation.

We've already heard that the Yukon Territory has enjoyed the benefits of devolution for almost 10 years now. You've been in our territory and indeed across the north. It was my pleasure to have you as a guest there this summer and then travel with you right across the Arctic. We both heard from folks—stakeholders, groups, organizations—as we travelled throughout the Northwest Territories and Nunavut.

Could you highlight a few of the benefits of the devolution agreement and then perhaps take the opportunity to respond to some of the things Mr. Bevington said about applying the positive benefits of the Yukon experience and devolution to the benefits the Northwest Territories will enjoy when this agreement is eventually signed?

Hon. Bernard Valcourt: To exemplify the benefits of devolution and an effective and efficient regulatory regime, one needs only to look at what has transpired in the Yukon over the last decade. Since the implementation of its current regulatory regime and devolution in 2003, Yukon has been successful in maximizing the social and economic benefits of resource development, while minimizing the environmental impacts. As a result, the gross domestic product of Yukon has grown every year for the past nine years and exceeded Canada's rate of national annual growth eight times out of ten. Last year the territory's total gross domestic product was \$2.5 billion, up more than \$1 billion since devolution.

In a speech at Canada's North Summit last month, the Premier of Yukon, Darrell Pasloski, described Yukon's success:

Frameworks like YESAA [the Yukon Environmental and Socio-economic Assessment Act] enable us to harness the momentum of the past decade and turn it into sustainable economic growth, with the confidence that such growth will not occur at the expense of the territory's environmental integrity.

I think that says it all.

• (1125)

Mr. Ryan Leef: Absolutely. Thank you.

Would you see this as the natural evolution of governance in the north? Yukon led the way 10 years ago. Then under conditions of umbrella final agreements and self-government agreements with first nations, Yukon has really been progressive and evolving. Do you see this as really the natural evolution, the next step that needs to be taken for the Northwest Territories?

Hon. Bernard Valcourt: No question. Northerners have long awaited the fruition of their goal of having local control over their governance and resources similar to that enjoyed by the provinces. We must acknowledge that this process began nearly 60 years ago, with successive devolution agreements covering many other aspects of local governance, including health care, education, and social services—and the bill before you today has been in the works for over 25 years.

Our government is proud to finally be able to deliver on this important commitment not only to the residents of the Northwest Territories, but also to Canadians. You will remember that when Prime Minister Harper took office in 2006, shortly thereafter, in 2007, the government came up with its northern strategy, with its four pillars. One of those important pillars is governance, and what you have before you here today is a milestone in the execution of the

northern strategy, which is devolving to the people of the Northwest Territories control over their land and resources.

Mr. Ryan Leef: You mentioned that this has been in the works for a long time. Other governments have tried to secure devolution agreements and have been unable to do so. Devolution certainly has signalled a shift in positive economic growth and self-sustainability in our territory in the Yukon. You mentioned this is something that has been agreed to by the legitimate government in the Northwest Territories, in consultation with aboriginal and first nations people.

While the member from Western Arctic may not like it himself, this is an agreement that is driven by the people of the Northwest Territories, for the people of the Northwest Territories. From your experience with past devolution agreements with the Yukon, I'm wondering if this agreement is fixed, firm, and absolute. Or is it a living, working, and growing kind of agreement where the territories can ebb and flow and change it over time to meet their needs? Is this just a fixed and firm, absolute deal?

Hon. Bernard Valcourt: No. This is in the way you formerly put it: this is another step. The agreement clearly provides for us to review the operation of the Mackenzie Valley Resource Management Act within five years and to take stock of the progress we've made then. This is a continuing relationship between the federal government and the Northwest Territories government, which will evolve. With the benefit of this strong, efficient, effective regulatory regime that Bill C-15 will hopefully put in place, the inhabitants of the Northwest Territories will greatly benefit from this devolution of responsibility to themselves so that they finally become the architects of their own economic and social development.

Mr. Ryan Leef: Thank you.

The Chair: Thank you.

We'll turn now to Ms. Jones, for the next round of questions.

Ms. Yvonne Jones (Labrador, Lib.): Thank you, Mr. Chairman.

Thank you, Minister, for being here this morning.

No doubt this is a very important piece of legislation for the people of the Northwest Territories. Obviously it's been a long time in coming, and all of us, as parliamentarians, want to see that any implementation process is going to be done properly, to ensure the greatest benefits to the people of that area.

I think it's fair to say that part 1 of the bill, aimed at creating a new Northwest Territories act, had unanimous support throughout the Northwest Territories, not just from residents and government but from aboriginal governments as well.

Where we're seeing some concerns being raised here is with the second piece of the bill, which proposes the amendments to the Territorial Lands Act, the Northwest Territories Waters Act, and more importantly, the Mackenzie Valley Resource Management Act.

We know there are concerns being expressed. They are coming from local aboriginal governments and communities, like the Gwich'in, who have expressed some very vocal, almost hostile, concerns with regard to the changes.

My question is this. Are you concerned that, by trying to wedge the changes into the land and water boards—which are not necessarily directly related to devolution, but are in this bill—you could be losing the consensus you have there?

As well, does it concern you that you would not have that consensus with the aboriginal governments in the Northwest Territories in implementing this?

• (1130)

Hon. Bernard Valcourt: You raise an important question and one of concern, of course, to us and to the government.

The way we read the complaints or the concerns expressed, I want to make it clear that this proposal of this single board for the entire territory is not new. I have the Tlicho agreement in front of me, for example. Chapter 22.4, entitled “Land and Water Board for Larger Area”, says in 22.4.1:

Where legislation establishes any other land and water board with jurisdiction in an area larger than, but including Wek’èzhii...it shall...

So it was always in the window with each and every one of those aboriginal governments that one day there could be this larger board. What was important was that we guaranteed that the proportionality of their representation on the board would be respected. It is in the act. For example, the Tlicho have the power to appoint their own member, because that is in their comprehensive land claim agreement. So we were very concerned about respecting the legal obligations.

I have met with those groups and I was surprised. When I met one group in particular, they were all in agreement, and then I read in the paper that they were not. But I respect that. In order to alleviate the concern, we have brought in modification, as I stated earlier. For example, when there is an application within a territory, which a smaller committee of three could deal with, the chairman will ensure that one member of that group in that territory is on the panel of three to make sure that the concerns and views of that particular aboriginal government or group are taken into account.

That is an accommodation we have made to try to alleviate the concern. But I understand. I would say “between you and I”, but there are too many here. The concern there is the number of jobs that this will affect, because they will lose some employment in the region because of this. You’re going to have a leaner board with 11 members. It will unfortunately affect certain jobs, but what has to be looked at are the benefits, maybe, of the sure development that will take place because you have a predictable, efficient, effective regime in place that is bound to attract investment.

For example, when you look at certain studies and the resistance of investors because of the regulatory regime, you’ll see that the Northwest Territories has to have a regulatory system competitive to Nunavut and the Yukon, and I think we have achieved it here.

• (1135)

Ms. Yvonne Jones: My next question comes from discussions I had with ministers and the Premier of the Northwest Territories, who expressed the urgency of having the devolution agreement in place so they could move forward. However, they also expressed concerns and had some amendments that they would like to see on a go forward basis, but they certainly did not want to see the bill delayed.

In light of that I would ask if you’ve given consideration to actually dividing the bill so that we could move forward with the first piece of it where there is consensus and where it seems that people are happy with the language and the way the agreement is worded. I wonder if the minister would entertain that.

Hon. Bernard Valcourt: Absolutely, this could have happened, but the plan was for this devolution to take place in 2015. Had we stuck to the original calendar and timeline, indeed you would probably have had two bills before you over a period of time.

But since the Government of the Northwest Territories and the premier asked the government to speed up the process, there was one condition to our acceptance of accelerating devolution and it was that we accomplish regulatory reform. This was because the action plan was in place, the work had started in 2010, and it was agreed with the government that regulatory reform would accompany the exercise. April is quickly coming, and that’s why we felt the best way to achieve both objectives was to have all of the provisions in one bill because they are so important in relation to each other.

The Chair: Thank you.

We’ll turn to Mr. Strahl now for the next seven minutes.

Mr. Mark Strahl (Chilliwack—Fraser Canyon, CPC): Thank you very much, Mr. Chair.

Mr. Minister, I think we’ve had about seven meetings and you’ve been at three of them. We like that percentage.

I would like to continue in the vein you were just going with the red tape reduction. Basically we’re reacting to economic indicators that indicate the Northwest Territories is perhaps under a regulatory regime that isn’t that attractive to investment, which in a resource-based economy can certainly be very difficult. Can you perhaps contrast the current regime in the Northwest Territories with the rest of Canada’s north, and maybe talk about why improving that is so crucial to economic development in the Territories?

Hon. Bernard Valcourt: Let’s take an objective analysis of the situation and look at the Auditor General’s assessment of the regulatory regime in the Northwest Territories. The Auditor General was clear and unequivocal that the current regulatory regime was a barrier to the further economic development, the tapping, and the unlocking of the enormous potential of the Northwest Territories.

When we talk about the Northwest Territories, we’re not talking just about world-class gold and diamond mines, but about the underexplored regions that have very high resource potential. But investors—and this is borne out by the statements of industry and experts—will not invest in an area where there’s not certainty that ensures that they can enter a regulatory process that will bring about results in a certain time frame. These are investor dollars. Right now when you look at Yukon and when you look at what we’ll have in Nunavut but not in the Northwest Territories, you have an imbalance. Why should we leave the Northwest Territories’ residents with a regulatory system that is disadvantageous to the full economic development of their territory?

I think this is a no-brainer. If we really want devolution to be successful—and the success will be measured by improving the standard of living of all residents of the Northwest Territories—we need to have this regulatory change.

● (1140)

Mr. Mark Strahl: Thank you.

Can you maybe talk about some of the specific and tangible benefits after the implementation of devolution and regulatory improvement? How will life change for folks in the Northwest Territories? Specifically, waking up the day it all comes into effect, how will they benefit from it?

Hon. Bernard Valcourt: The transfer of authority over land and resources is the single most significant transfer of province-like jurisdiction to the people of the Northwest Territories, and upon devolution, the government of the territory, in consultation and collaboration with aboriginal parties, will determine the pace and nature of non-renewable resource development in the territory.

The Government of the Northwest Territories itself estimates that employment opportunities from devolution alone will result in over \$20 million in spinoff benefits for the Northwest Territories. After devolution, the Government of the Northwest Territories will have the authority to levy and collect resource royalties and will retain a net fiscal benefit from resource development. This will provide a brand new source of revenue to the Government of the Northwest Territories and will be in addition to the transfer payment the government receives from the federal government under the territorial formula financing program. So now with this, northerners will determine how, when, and where to utilize these new revenues.

I will end with this. The Government of the Northwest Territories and aboriginal parties have agreed to share a portion of these new revenues, and thus the benefits will accrue to all residents of the Northwest Territories, aboriginal and non-aboriginal.

Mr. Mark Strahl: I take it from that answer then that you would strongly disagree with Mr. Bevington's statement that resource development doesn't do anything to reduce poverty.

Hon. Bernard Valcourt: Yes, absolutely. I don't know where he took that one from.

The Chair: Thank you.

Mr. Dennis Bevington: On a point of order, Mr. Chair, is it the practice of this committee to allow other members to put words in committee members' mouths?

The Chair: It seems to be the practice in politics and Parliament generally—

Some hon. members: Oh, oh!

The Chair:—on all sides. That isn't a point of order, but it certainly will come up in debate.

Ms. Crowder, we'll turn to you now for five minutes.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Thank you, Minister, for coming.

Just to be on the record, I also want to correct Mr. Leef's statement. The NDP supports the devolution aspect of this legislation. The challenge for us is the inclusion of the changes in the MVRMA.

You quoted from the Tlicho Agreement, so I'd like to quote from the Tlicho letter of July 12, 2013. In this letter they said:

The Tlicho Agreement cannot be interpreted to say that Canada, on its own volition, can force the larger board into existence.

Later on, they talk about ministerial authority:

The proposal to expand the Minister's role and authority is not provided for in the Tlicho Agreement. As such, it is an attempt by Canada to use 22.4.1 as a "Trojan horse" to fundamentally revise not only the structure of the Boards but also the powers of the federal Minister therein. The expansion and entrenchment of authority by one Party of its own powers, all without a proper negotiation, will fundamentally impact our carefully negotiated constitutionally protected rights and have profound impacts on our way of life. We have not agreed to any such expansion of federal Ministerial power. Nor have we had any reasonable engagement with Canada to have our interests incorporated into the legislative proposal on Ministerial powers.

In that light, I'd like to refer to proposed subsection 50.1(1) in clause 131 of the bill, concerning the minister's binding policy directions on land-use plans. In the briefing notes that were provided with regard to policy direction, it says:

The federal Minister may, after consultation with a planning board, give written policy directions...

and so on.

With regard to this, it seems like a pretty broad policy that the minister will now be able to unilaterally impose, and this would include things like relevant Treasury Board Secretariat policies, new technologies, and roles and responsibilities related to aboriginal consultation. Can you tell me why those kinds of ministerial powers were entrenched in this legislation?

● (1145)

Hon. Bernard Valcourt: With regard to the 10- or 12-page letter that you referred to and quoted from, I read it with care. Of course, I fully respect the view of the aboriginal government in question, but the fact remains that the board contemplated by this bill is expressly provided for under the agreement.

Now, when you talk about the policy direction to align with the Tlicho government's law-making powers or Tlicho lands, the minister must consult the Tlicho government prior to issuing policy direction to the Mackenzie Valley environmental impact review board, and that will be done.

So they are protected there, because they will be consulted.

Ms. Jean Crowder: Well, forgive me minister, but the record on consultation hasn't been stellar.

I want to turn to another point. Under the 2010 Northwest Territories environmental audit, there was an observation in here that the department, called INAC at the time, had not fulfilled its mandate under the MVRMA to implement an effective cumulative impact monitoring program; that it had been chronically underfunded and under-resourced; and that community capacity building and environmentally monitoring programs were largely occurring on a one-off basis.

In this new proposed legislation, of course the MVRMA will remain a federal piece of legislation and will just be delegating the powers. Do you contemplate the Northwest Territories having the federal government provide the resources to do this cumulative monitoring?

Hon. Bernard Valcourt: What is contemplated under these amendments is implementing the devolution agreement that has been reached with the Northwest Territories. And when it comes to the issue of resources, of course subject to Parliament approving those, the resources will be provided as the government, as Canada, has undertaken in the agreement to be responsible for the cost of all of these boards.

Ms. Jean Crowder: But that—

The Chair: You have about 10 seconds left.

Ms. Jean Crowder: I'm asking specifically about resources for the cumulative monitoring. Will the resources be provided? That was 2010. That was three years ago. Has money flowed, and will it continue to flow?

Hon. Bernard Valcourt: Let me see the view of my officials.

I'm informed that indeed, on your specific questions about cumulative impact monitoring, that we committed to ongoing funding in 2010. This program will be transferred to the Government of the Northwest Territories.

The Chair: Thank you.

We'll turn to Mr. Clarke now for the next round of questions.

Mr. Rob Clarke (Desnethé—Missinipi—Churchill River, CPC): Thank you Mr. Chair.

Thank you to the minister for coming in today.

Minister, I have a couple questions here. I'm hearing from the opposition, from Ms. Crowder, about consultation. My definition, or what I'm hearing, is that consultation has to be willing, and that individuals, or communities, or first nations participate. What I've seen taking place a lot is government trying to engage, but the parties ignoring it, hoping to be able to say that the duty to consult was not met. I find that very frustrating.

But the other question I have is regarding the Akaitcho, which also goes for some of my northern communities as well, especially the Athabasca Dene Nation in northern Saskatchewan, which has laid claims in the valley over some of the land there where they had one been. Both communities were touching so closely they overlapped into the other territories.

With this devolution of the Northwest Territories, will that affect any type of land claim that the Athabasca Dene Nation is making right now?

• (1150)

Hon. Bernard Valcourt: No. The conditions of the devolution clearly protect the duty, the responsibility, or the possible claims of aboriginal groups in the territory and beyond. There's nothing here that can affect the comprehensive land claims process that is taking place right now.

As you may know, we have four groups negotiating. These negotiations will go on. I expect that as a result of devolution, it will create an impetus to maybe reach an agreement sooner.

Mr. Rob Clarke: I hope so, because according to the Athabasca Dene, they're saying that the Akaitcho are refusing to meet with them, and that's a big concern here.

To go to the second part of my question here on the urgency in adopting this devolution, can you please elaborate further on the urgency for this?

Hon. Bernard Valcourt: As you know, our government's northern strategy and devolution focus on providing the Northwest Territories with control over their own political and economic decisions. Since the announcement of that strategy in 2007, these two initiatives—regulatory reform and devolution—have been following their independent and yet parallel path, with the objectives of local decision-making and the updating of the regulatory systems in the territory.

In June 2013, after 11 years of negotiations, the parties finally resolved all issues and are ready to proceed with the transfer of responsibilities and authorities pertaining to lands and resource management. I think it is incumbent upon our government to transfer to the people of the Northwest Territories a system of administration, management, and regulation that is complete, effective, efficient, and transparent and that meets the needs of the people of the Northwest Territories and other stakeholders for now and into the future.

I don't think there is any reason now to delay this any further. All parties have been working diligently to transfer these authorities on April 1, 2014. Northwest Territories residents expect it, and they want it now.

Mr. Rob Clarke: I'll transfer my remaining time to Mr. Leef.

The Chair: Mr. Leef, you have about a minute.

Mr. Ryan Leef: Thank you, Chair.

You did touch on this after what Mr. Clarke was asking, and it's really in response to Ms. Crowder's comment about consultation not being stellar. Of course, our government and I think Canadians generally know that consultation isn't a lifelong process. I'm sure we'd all look forward to endless national strategies on devolution if the NDP were to have their way on this, but....

I find it interesting that the NDP will talk about supporting this. I certainly hope they vote for Bill C-15. It's the responsible thing to do.

But the other aspect of the devolution agreement in terms of supporting it is supporting the budgetary measures put in place to promote devolution, and the NDP have not supported any budgetary measures whatsoever to promote this devolution agreement.

Can you maybe just highlight what it is that the Government of Canada is doing and what the cost of devolution is in terms of the Government of Canada's investment in budget 2013?

• (1155)

The Chair: Could we get just a short answer? We're running out of time.

Hon. Bernard Valcourt: Well, I was here not that long ago on the supplementary estimates. In the supplementary estimates (B) for 2013-14, there is \$20 million to help us actualize this transfer, from which the Government of the Northwest Territories will benefit with a one-time payment, and also the aboriginal parties to the agreement will, to the tune of \$4 million in a one-time transfer and then an ongoing \$4.6 million per year to aboriginal government.

The Chair: Thank you.

We'll turn now to Mr. Bevington for a final question.

Mr. Dennis Bevington: I have just one question that reflects on devolution. Under the powers of the commissioner, it appears that the federal government has designated the commissioner as their point man in the Northwest Territories. The commissioner's duties far exceed what is listed in the Yukon Act. In Nunavut, interestingly enough, the commissioner also must take written instructions from the minister on all matters. That written instruction has to be filed with the executive council of the Nunavut government.

There's no similar provision in the Northwest Territories. In fact, the commissioner there also has the ability to hold up legislation for a year before signing it or not signing it, under the written authorization of the minister of the federal government. Why has the federal government insisted on such onerous provisions for a role which, in the provinces, is simply titular? It's the lieutenant-governor's role.

Has the minister not considered moving the commissioner's role to more of a lieutenant-governor role rather than point man for the Government of Canada in the Northwest Territories?

Hon. Bernard Valcourt: Yes, indeed, we have considered the matter and have decided not to do that.

The Chair: Thank you, Minister.

We appreciate taking time out of your day again this week to be with us. Of course, this is an important and historic piece of legislation.

Colleagues, we'll suspend now and be back in just a few minutes.

The meeting is suspended.

- _____ (Pause) _____
-
- (1205)

The Chair: We'll call this meeting back to order.

Colleagues, for the second hour we have the privilege of having representation from the Government of the Northwest Territories. I do want to thank Minister Miltenberger for being here; we appreciate your being here. We know that Premier McLeod would like to have been here; unfortunately, there was a tragedy in the family and he has gone back home to be with family. We certainly want to extend our condolences to the McLeod family during this time.

We also have Ms. Woodward joining us. Thank you so much for being here.

We'll turn it over to you, Minister, for your opening statement and then we'll have some questions for you.

Hon. J. Michael Miltenberger (Deputy Premier and Minister of Environment and Natural Resources, Government of the Northwest Territories): Thank you, Mr. Chairman, and the premier does extend his regrets and appreciates your comments.

Thank you for the invitation to address the House of Commons committee on aboriginal affairs. I'm pleased to be here to speak to you today about Bill C-15, Northwest Territories Devolution Act. Devolution of responsibility for public lands, resources, and water has been a priority for the people and Legislative Assembly of the Northwest Territories for many years. The Government of the Northwest Territories has worked closely with Canada in the negotiation of devolution and the development of implementation plans to effect the smooth and seamless transfer of these important responsibilities on April 1, 2014.

Devolution promises to usher in a new era of prosperity and opportunity for the people of the Northwest Territories. Supported by an efficient, effective, and integrated regulatory regime, devolution will give northerners the necessary tools and authorities to responsibly develop the territories' significant natural resource potential, promote investment and economic development, and manage the land and environment sustainably.

Devolution will mark the culmination of a political evolution that began with the original creation of the Government of the Northwest Territories in 1967. For the first time, the people of the NWT will enjoy a level of self-determination and control over territorial affairs on par with that enjoyed by their fellow Canadians in the provinces and Yukon. Devolution will make good on the promise of 46 years ago, which we have secured through the ongoing development of a fully elected and representative legislative assembly that has steadily assumed responsibilities from Canada.

As we approach our 50th year, our government looks forward to strengthening its role as a contributing and vital member of Confederation, representing the unique views and priorities of all our people, including the aboriginal people who make up almost 50% of our population and are key participants in the political, social, and economic life of the territory. We have seven regional aboriginal governments in the Northwest Territories and are proud to maintain formal government-to-government relationships with them. We work hand in hand with our aboriginal government partners across the vast range of government decision-making. It is not just part of our consensus style of government, but also part of our consensus culture. When we signed the devolution agreement with Minister Valcourt last June, five of those governments joined us as co-signatories and we continue to work with the remaining two. This is how we do things. It is through ongoing, strong, and always respectful partnerships with aboriginal governments that we create strong communities, mutual trust and respect, and the good will that forges a strong territorial society. We will be strengthening these partnerships even further through devolution.

We are establishing an inter-governmental council that will bring together the public government and aboriginal governments to better work together and coordinate decisions on land use and development throughout the territory. The Government of the Northwest Territories has also offered to share up to 25% of the resource revenues we will collect under devolution with participating aboriginal governments. This is unprecedented in all of Canada, but reflects our commitment to ensuring that all the people of the Northwest Territories can share in the benefits of development in the territory. We believe the NWT can be a model for Canada, where aboriginal people actively support resource development because they have a meaningful role in decision-making and receive a fair share of the benefits.

In 1904, Prime Minister Wilfrid Laurier famously said that the 20th century belonged to Canada. Why did he say this? Because Canada had everything going for it that a young country would want: population growth, increasing industrial development, and immigration to further open up the prairies to agriculture. And to solidify Canadian sovereignty, the railroads were being built in one of the early unifying megaprojects of this great land. We appeared sheltered from the conflicts and tensions of Europe and the Far East. Canada as a country was on the rise.

Today, we have no doubt whatsoever that the 21st century belongs to the north. We are increasingly the centre of resource development, the storehouse of what the world wants and needs. Yesterday's so-called "hinterland" is today's economic engine, the fuel for our country's prosperity. Royalties from the mining and oil and gas extraction are paying for daycares, hospitals, and schools in the south. They are maintaining employment and generating prosperity across Canada, as an increasingly mobile labour force finds opportunities and well-paying jobs in northern communities. Never before do I recall such a time of potential and future prosperity facing the people of our territory.

• (1210)

We are the stewards of a great expanse of Canada's land mass. We are on the front lines of climate change. We see it first, before the scientists and satellites and statisticians. We are also the preserve of traditional knowledge, of the wisdom of centuries of people who know and understand how to manage a society and an economy in a sustainable and mutually respectful way. We will undertake balanced resource development to create jobs and protect the environment.

With responsibility for lands and resources, devolution will mean that northerners will take on new abilities to direct the economy of the territory and ensure that its residents benefit from development. We will take on new authority for managing the land and environment according to northern needs and priorities.

Devolution will also mean access to new revenues and a new measure of fiscal independence that the Government of the Northwest Territories can use to invest in the people of this territory, the economy, and the environment.

Make no mistake, for the Northwest Territories this is a game-changer. Devolution is the key to a new era of prosperity. We look forward to a future where northern priorities are reflected in resource development and environmental management decisions. We know our land. We know what matters to us. We have a vested interest in

ensuring the long-term sustainability of our land. Our integrated co-management system will protect the economic, social, and cultural well-being of our people.

Bill C-15 is a major milestone for the Northwest Territories, but it is only the beginning of the end. The journey continues, and we look forward to the review that we have agreed will be done at the end of five years and the more complete transfer of powers to the Northwest Territories at that time. We will also have to continue to work on regulatory improvement.

Our government has always supported an efficient and effective regulatory regime that promotes investment, protects the environment, respects the land claims and provides for regional and community views to be heard. We know there are concerns about this aspect of the bill. We are confident, though, that by working with our aboriginal government partners through forums like the intergovernmental council that we are establishing, and continued partnership with Canada, we can address the concerns and implement a system that promotes prosperity and upholds the public interest.

Our time has come. It is time for northerners to make their own decisions about our economy, our environment, and our society. Devolution is critical to the long-term well-being and prosperity of the people of the Northwest Territories and of Canada, and the Government of the Northwest Territories supports the timely passage of this bill.

Thank you, Mr. Chairman.

The Chair: Thank you so much.

We'll begin the rounds of questioning.

We'll start with Mr. Bevington again.

Mr. Bevington, we'll turn to you for seven minutes.

Mr. Dennis Bevington: Thanks, Mr. Chair.

And thanks, Minister. It's a pleasure to have you in front of the committee.

I'll start off by asking whether in our formal committee hearings to be held in Yellowknife we can count on the Government of the Northwest Territories to give us more information at that time, because I know this has been a fairly rushed process for your coming here over the last week.

We're looking at formal hearings in Yellowknife towards the end of January. Will your government be participating?

The Chair: Minister.

Hon. J. Michael Miltenberger: Thank you, Mr. Chair.

Absolutely, Mr. Bevington. We anticipate that if the committee comes to the Northwest Territories, we'll be invited to the table and will be there and participate fully.

Thank you.

Mr. Dennis Bevington: Okay.

None of us around the table here is going to be opposed to the devolution section of this bill. We're all in agreement on it. There are some things that may require some amendments. I mentioned something about the commissioner's role. I also mentioned something about the federal government providing information to the Government of the Northwest Territories on these written instructions. There are a number of things like that that might come up as proposed amendments. But the real problem with this bill is the combining of the two.

Could you explain the process? The minister told us that the federal government only considered a request to speed up the process with the devolution agreement this year on condition, as I think you've discussed, that the regulatory changes also be put into effect. Is that correct?

• (1215)

Hon. J. Michael Miltenberger: Thank you, Mr. Chairman.

We agreed to the process. We asked to fast track it. We were very cognizant of October 3, 2015, which is about 665 days away, which is the next election for us. If we didn't do the implementation right away and instead had a further year's delay for the MVRMA, the process would have been stuck between elections and between governments. We were fully intent on moving this forward so it could be concluded within the life of the government. As part of the discussion with the federal government, we've come forward with the bill that's before you today, which we're looking for support to get passed.

Mr. Dennis Bevington: Was there any sense that the federal government said that if you want to move this bill forward in 2014, you have to include the regulatory changes that it was looking for, as the minister suggested in his statement?

Hon. J. Michael Miltenberger: What we have is a bill that contains both of those components. When we had our discussions, as the premier indicated this morning before the Senate committee, we came to an agreement on how we would move forward on this. This is a political priority for us. The federal government had some strong concerns about the regulatory regime. The result is the bill that's before this House.

Mr. Dennis Bevington: Now, with the aboriginal partners in the devolution agreement that you talk about, was there a sharing of this decision to join these two bills together? Were the aboriginal governments you were working in partnership with in agreement that these two bills should come together?

Hon. J. Michael Miltenberger: Thank you.

Mr. Chairman, I apologize. In our jurisdiction, we always have to get the nod from the chair to be able to open our mouth.

The Chair: We're a bit more of free-flowing here. Until I cut you off, you're good to go.

Hon. J. Michael Miltenberger: I did notice the free-flow. Thank you.

Mr. Chairman, all of the involved parties and partners were aware of the process. There is some debate over some of the particulars

relating to the regulatory side, the Mackenzie Valley Resource Management Act. But on the intent to go forward, it was clear that we were going to come up with a way to do both because there are a lot of links, and one was a priority for us, one was a priority for the federal government. Once again, this is the bill that is now before this House.

Thank you.

Mr. Dennis Bevington: Thank you.

When it comes to the role of the commissioner in this affair of devolution—and I had the minister saying that he did not consider it—what was the Government of the Northwest Territories' position on the role of the commissioner, going into these negotiations?

Hon. J. Michael Miltenberger: Thank you, Mr. Chairman.

The member has raised that issue. We've had our legal folks look at the issue in its full context, within the reading of the role of the commissioner and the context of the bill before this House. It's our determination, which we'd be happy to share with the member, that the role of the commissioner in the Northwest Territories is going to be on a par and comparable with the role of the commissioner either in Yukon or Nunavut. As I said, we'd be happy to share that analysis.

Thank you.

Mr. Dennis Bevington: That means you don't consider it important that any written instructions given to the Commissioner of the Northwest Territories be shared with the executive council? Is that the position of your lawyers?

Hon. J. Michael Miltenberger: Mr. Chairman, I don't necessarily want to debate this point unless it's the will of the committee.

We have two pages of legal analysis dealing with that particular issue within the context of the mandates of other commissioners in the other territories, the wording and what's required, including the fact there was wording in the Yukon Government that lapsed after 10 years, and that we are taking on that same responsibility. There's a whole host of detail where you need the context as opposed to that one particular issue.

• (1220)

Mr. Dennis Bevington: Could we be privy to that information?

Hon. J. Michael Miltenberger: Yes, Mr. Chairman, as I indicated, we'd be happy to share that analysis with the committee.

Thank you.

The Chair: We'll turn now to Mr. Leef for the next seven minutes.

Mr. Ryan Leef: Thank you, Mr. Chair.

Thank you, Minister, for your attendance today and your presentation. I have one quick comment and then a question.

You mentioned in your opening remarks that this is a natural political evolution, and I had asked the minister about that. First, I'd like to just congratulate you on getting this far. It's been something that's been in the works for such a long time. You talked about the consensus government and the consensus culture in the Northwest Territories. I think that's certainly something that is admirable and it's really a neat model for a system of government in Canada and for Canadians to look to and be proud of. I personally see the devolution agreement as political evolution. We, as northerners, know and can appreciate that consensus government and a consensus culture get misunderstood as somehow not evolved. We recently heard the leader of the Liberal Party compare the government operations of the territories to municipalities, and I think that's a real shame that there isn't an appreciation for the contributions we can make to a national discussion and, indeed, positive models of running government.

But that aside, when we're talking about entering into this devolution agreement, you did mention that you're looking forward to the next stages already before we've signed on to this one. But your forward-thinking in here, I think, is appropriate. You talked about moving and looking forward to the five-year review process. Can you maybe just touch on the confidence you feel in the fact there is a five-year review to this, and perhaps the sense of the stakeholders and partners you're involved with in the aboriginal communities—how they are feeling about the security and safety, that there is a five-year review and that the regulatory processes that are coming along with this can adapt and change and flow with the changing times and business and priorities of the people of the Northwest Territories?

Hon. J. Michael Miltenberger: Thank you, Mr. Chairman. I appreciate the question from the member.

I will just quickly give you a sense of scale of how long this has been in the works. There have been different numbers used, but we use the target date of 1967, when we became an official government and the plane came north from Ottawa with the commissioner and the few staff who were moving north with him. I was 16 years old at the time and, sitting before you in this committee, I'm now 62. If we're not ready now, I don't think we'll ever be ready. We are a persistent people. We're diligent and we're relentless in our pursuit, like every other Canadian in political self-determination.

The five-year period is part of the negotiations. There are issues that have to be monitored to see how the agreement is working. We're going to be listening to feedback from the aboriginal governments, from industry, and from northerners. There are some other issues we want to keep track of: the role of the minister that we talked about today and, as the premier indicated in the Senate as well, the issue of board appointments.

We're of the opinion, of course, that we are more than capable of managing that particular aspect of the regulatory process. All those are tied to that five-year period. We're going to be very busy, going flat out in the next 115 days. We have about 27 bills to pass in mirror legislation. We're going to be working hard on implementation going forward both on the devolution piece and in the year we have to get ready to do the regulatory changes. We're going to be doing that, and it's going to be seamless. We're not going to miss a beat. But we're going to be monitoring, along with the federal government and our aboriginal partners. We're going to see how this evolves, how the

implementation works, and we're all going to be taking notes because we want to improve the system. As was raised earlier, it's not an absolute, carved-in-stone agreement. It's one that I expect all parties will consider to be something of a living document as we get good at this and as we sort out, as we take our place at the table, what needs to be adjusted down the road.

Thank you.

•(1225)

Mr. Ryan Leef: Thank you.

The member from Western Arctic raised a couple of good questions. I was going to, in fact, ask him if he was checking them off with, you know, rationale for the acceleration of the timeline and whether or not that acceleration had been supported by your key partners. In your opinion, how is the Government of Canada been in terms of being responsive to the acceleration? When you brought that forward, how was that received? How well do you feel the needs of your government and the needs of your partners have been met in accommodating this accelerated timeline?

Hon. J. Michael Miltenberger: Thank you, Mr. Chair.

There was an agreement early on between Prime Minister Harper and Premier McLeod at our request. Because of the urgency and our political timelines, an agreement in principle was signed.

Last year at the previous assembly, the 16th assembly, we could see that if we didn't push hard, this could possibly carry on for another government, with all the risk and uncertainty that poses. So the federal government agreed. There was a negotiation. We worked out an agreement, and the bill that's before the House reflects the outcome of that agreement.

Mr. Ryan Leef: In the relationship that the government's been able to build, this is quite an experience for the governments of Canada and the Northwest Territories, as well as our aboriginal partners, to get involved in together.

With that relationship developed now, are you confident that the Government of Canada is ready and able to respond to the five-year review that will come up sooner rather than later? It seems like a long way down the road, but it's wise to talk about these things now, because five years can go by rather quickly.

Please give us your thoughts on whether you think the relationship is strong and solid, and one that will support productive talks when the five-year review comes up.

Hon. J. Michael Miltenberger: Thank you, Mr. Chairman.

Yes, the two governments, the Government of Canada and the territorial government, worked hard collectively. Both parties have devoted enormous resources. We've redeployed resources in a time of fiscal restraint at all levels of government to meet the target, to meet these critical political goals for the people in the Northwest Territories and the Government of the Northwest Territories.

In the last number of years, Premier McLeod and Prime Minister Harper have developed a very close working relationship, and this is always the first thing to be discussed whenever they meet and talk, which is on a regular basis.

Thank you.

The Chair: Thank you.

Ms. Jones, we'll turn to you now for the next questions.

Ms. Yvonne Jones: Thank you, Mr. Chair, and thank you, Minister, for appearing before our committee today. It's a pleasure to have you here with your deputy. I'm sure you've worked very hard to get to the point you are at today.

You heard my question to the minister with regard to the bill being in two phases and whether government had considered the separation of those two components into two separate bills. If the bill were separated at this point, would that have an impact on the timeline for devolution for the Northwest Territories?

Hon. J. Michael Miltenberger: I'm not fully knowledgeable about the federal law-making system, but if a bill of this significance and size were taken back and put into two pieces, I believe it would absolutely have an impact. That's only based on experience in the Northwest Territories, but I know that if you take a bill before the House and then take it back and want to make it into two separate bills, then there's a process that kicks into gear for the new bill.

The other point I'd like to make is that we have worked with the Government of Canada. We've come to an agreement. We've gone through a process. We've done our work collectively at the territorial level. We now know we have to come into the federal system. The bill that's before you is supported by both governments because it reflects the concerns and aspirations of those governments and the people of the Northwest Territories.

Yes, there are some questions. There's bound to be in a bill of this size. But we are intent on having this pass so that we can take the next step. We'll work out the things that need to be worked out, but we can't do that unless this bill is passed. So it's absolutely critical for us as a next step in our political evolution.

Thank you.

• (1230)

Ms. Yvonne Jones: Okay.

A lot of our discussions this morning in committee with the minister had to do with the changes and the management of the Water Board. Do you feel that the concerns that have been expressed by the aboriginal governments in the Northwest Territory are warranted?

Second, do you feel that they are concerns that should be resolved in order for your government to move forward with devolution?

Hon. J. Michael Miltenberger: Thank you, Mr. Chairman.

Can we do this? I believe we can.

There was a comprehensive claim back in the eighties, where at one point all of the aboriginal governments—the first nations and the Métis—except the Inuvialuit, were going to do a comprehensive claim. At some point, the concept of a large unified board was in there. Every claim and every settlement, as Minister Valcourt has indicated, reflects that potential possibility.

The fact of the matter is that aboriginal governments have had regional boards for some time. There is definitely a comfort level there. Is it going to be an issue that requires work and discussion?

Absolutely. Should we hit the pause button until we have that particular issue sorted out? In our opinion, no. If this government waited to make sure that every *i* was dotted and every *t* was crossed and that there was happiness across the land on every particular issue, progress would be very slow.

It was the same with devolution when we signed the agreement. We had initially only two aboriginal governments sign on, but we persevered. There were many who said to hit the pause button, "Don't do it. Let's stop. Let's talk." There comes a time in the affairs of all of us when we have to make those decisions. I think that the key is to forge ahead and build consensus as you go.

As the premier has indicated, we devolve and then we will continue to evolve. We'll work through these issues.

Thank you.

Ms. Yvonne Jones: Obviously the urgency of having this done is very evident from your comments this morning.

Yesterday in the House of Commons, I asked a minister a question in regard to the financial resources to do the implementation of the agreement. He outlined a number of pieces that would be financed through federal transfers.

One of the concerns I have is, when the devolution was done for the Yukon Territory, the Auditor General reported in his 2003 report that they had underestimated the resources that were needed to complete the work.

My question is this. We can't always predict. We do estimates. We run numbers, budgets, and so on. Is there some contingency built into the agreement that, if the resources are not there to do the implementation properly, there is room to advance that with the federal government?

Hon. J. Michael Miltenberger: We've negotiated transitional money. We've negotiated \$67.3 million into our A-base to take over all the functions. We're getting resource royalties sharing for the first time. We're about 115 days away from implementation day on April 1. We've been managing with the money we have, and we're going to get to the finish line with those resources. There's also money in the budget for transitional support to aboriginal governments as well as ongoing support to aboriginal governments.

The issue came up earlier and perhaps I will just throw this in, that we are also taking over the cumulative impacts monitoring program. We've negotiated three and a half million dollars a year to assist us in doing that. That will be incorporated into the work we already do as a government on our own impact studies on water and on all the other things we do. This will allow us better economies of scale.

Could we use more? Were we badgered and pilloried by some folks for not holding out for more? Absolutely. But once again, there comes a point, after literally decades of negotiating, when we have to move, and that's what we're doing. We're confident that we will manage and will manage well with the resources we have.

I want to point out that we already have a AA1 credit rating as a jurisdiction. We have one of the lowest debt-to-GDP ratios in the country. We are very well run financially and will continue to be.

Thank you.

•(1235)

The Chair: Thank you.

We'll turn now to Mr. Strahl for the next questions.

Mr. Mark Strahl: Thank you, Mr. Chair.

And thank you, Minister, for your presentation.

It's clear to me that the people of the Northwest Territories, and indeed all of Canada, will look upon the 17th session of your assembly and your leadership and that of Premier McLeod in the future as a historic time for not only the Northwest Territories but all of Canada.

I want to congratulate you on the negotiation and on coming to this achievement that we've realized in Bill C-15. Here in Ottawa we can go through legislation and it maybe doesn't create much of a ripple here, but this is an enormous achievement for your government, for your people, and obviously wouldn't have happened without the driving force of your premier and people like you.

I did want to talk about the regulatory improvement component of the bill. I understand that the GNWT and the NWT Chamber of Mines recently released a paper on mining strategy, which included a recommendation to move ahead with regulatory improvements. I asked this of the Minister, Mr. Valcourt, as well. How do you think that regulatory improvement will in fact improve the investment climate or the economic climate in the Northwest Territories?

Hon. J. Michael Miltenberger: If I could just use a comment by the premier this morning, he said that one of the big things is going to be having a lot less Ottawa and a lot more Northwest Territories in the process. As Yukon has demonstrated, when you make decisions in your own backyard we tend to have a rigorous, timely, and effective system. We intend to be our own regulator. We're going to provide certainty to everybody. We want the systems to be clear. We want to hit the timelines. We want to do all the things we need to do to make sure we hit the balance between the economy and a sustainable environment, to protect the environment.

That kind of certainty, timeliness, and turnaround are probably going to be the biggest indicators. We are going to be monitoring this, as will industry. Everybody in the world is going to be monitoring how this rolls out. We think it will be demonstrated by how business is undertaken on the business side and by making sure we have that balance.

Mr. Mark Strahl: Thank you.

I certainly appreciate your comments on having the leadership to decide that. Even though not everyone in the territory agrees with the timeline, you eventually have to lead and take that risk as leaders to pursue this, going forward.

One of the things we heard in the House yesterday, a criticism, was on consultation. It's my understanding that throughout this negotiation, throughout this process, the Government of Canada and the Government of the Northwest Territories certainly took their section 35 obligations very seriously. The chief negotiator had 50 meetings with affected aboriginal groups regarding the composition of the new board. Perhaps you could talk about the GNWT's

consultation process, how important that is to your government, and how you feel that consultation test was met during this entire process.

Hon. J. Michael Miltenberger: Thank you, Mr. Chairman.

If I could just quickly touch on the comment I made in my remarks about a consensus culture, we work very closely with the aboriginal governments. We have come up with critical pieces of legislation—for example, the Wildlife Act, which took 20 years until we changed the process—where we actually draft critical pieces of public government legislation with aboriginal hands on the pen with us, with working groups, to get it done. Our water strategy was done the same way. We articulated how we do business.

On the devolution side, we've been on this process for well over a decade. We funded working groups. We funded representatives from the aboriginal governments and their lawyers to sit in all the meetings. We worked our way through this and we continue to work our way through on the devolution side.

The MVRMA piece is federal legislation and we've been involved somewhat. The federal government has its own requirements for consultation, but for us on a go-forward basis, we've tried to lay it out. The premier keeps reiterating that we're in this together with all northerners, and the aboriginal governments are our partners. They're major landowners, and they have many cases where they've settled claims for significant resources for investment, and they are interested in the same type of sustainable development that we all are.

We think that as a territorial government, on consultation we meet or exceed that. The federal government has some of its own challenges because they have unique relationships with land claim organizations where there are those types of agreements. They'll be working through those.

•(1240)

The Chair: Thank you.

Mr. Clarke, you have about one minute.

Mr. Rob Clarke: Thank you, Mr. Chair.

I'd like to thank the minister for coming in as well.

One of the questions I have is in regard to the Athabasca Dene in northern Saskatchewan. They have overlapping issues with the Akaitcho and the Northwest Territories, but we see them also working in cooperation with the Métis.

Does the Northwest Territories recognize the overlapping land claim? Are they willing to sit down? Have you sat down with the Athabasca Dene on that overlap?

Hon. J. Michael Miltenberger: Yes. We have heard the concerns and are aware of them. We have our own concerns about the amount of what was initially traditional use land that has evolved into a significant amount of land in the Northwest Territories. So there are land claim issues to be resolved.

I heard the member talk earlier about getting the Akaitcho to the table. That's a challenge and it's not one that can be met except by the Akaitcho people. It's hard to make folks come to the table if they're not prepared to do that. They have a lot of their own concerns, so that's a land claim process that still has some journey, some distance, to travel.

The Chair: Thank you.

We'll turn now to Ms. Crowder for the next questions.

Ms. Jean Crowder: Thank you, Minister. I appreciate your taking the time—and, of course, we want to add our condolences to the premier for the death in his family.

You mentioned in your presentation the five-year review. Of course, it's not in the legislation, but it is in the agreement. So I've looked at the wording in the agreement and it's pretty vague. It says, "No earlier than the fifth anniversary of the Transfer Date, the Parties shall conduct a review of the provisions....and then as soon as it's practical after such fifth anniversary...".

I know this isn't a land claims agreement; it's devolution. But I'm sure you're well aware that when it comes to how the department has behaved with regard to comprehensive land claims implementation, some land claims holders or self-government holders have ended up in the courts.

I look at NTI in Nunavut, which has had to go to the courts because of implementation issues. We have the land claims coalition across the north, and partly from British Columbia as well, that has come together because of the lack of movement on implementation. Sometimes these review periods that are supposed to have taken place after five years have dragged out for seven, eight, nine, or ten years.

I understand the wording in here is deliberately vague in some ways because you can't anticipate everything that would need to be reviewed. But do you have confidence that you're going to have the resources and that the government will be able to meet the timeline of a five-year review, given its track record?

Hon. J. Michael Miltenberger: Yes. We're on the move. We're taking over the responsibilities. We are getting the resources to do that. The federal government has a role to play. On the MVRMA side they are maintaining some significant involvement. There are some unfinished issues that need to be resolved, and we're fully intent, this government and the next, to follow through.

Some things may happen sooner. There may be things we haven't anticipated that need to be looked at. So we're fully prepared to accept that we're going to get this done. While it's vague, the minister himself has said—it's here again on record—that this five-year review will be done, and all the parties will get it done.

• (1245)

Ms. Jean Crowder: You will have to forgive me for being a skeptic. I know it's part of my role in the opposition, but we simply haven't seen that. This isn't just reflective of this government. This is not a partisan remark. It has been the history of Canadian governments of whatever political stripe, so you will forgive my skepticism on that, but I look forward to seeing it happen in a timely fashion with the required resources to make it happen.

You mentioned in your response that some things could happen sooner. Is there a mechanism to trigger additional resources if something comes up that has not been contemplated in the agreement and in legislation?

Hon. J. Michael Miltenberger: Thank you, Mr. Chair.

With regard to your skepticism, I guess it's maybe easier to be skeptical because you're sitting here in Ottawa, but I'm telling you, where we live, we're ready to go. We know there's risk, but there's risk in everything we do. We're in the risk business, so we have to keep moving.

With the issue of what things may be required or the unanticipated consequences of some of the things, there are going to be things that we collectively agree need to be adjusted. We're all reasonable people. Hopefully, common sense will prevail on a lot of these things.

It's not the issue of more money; it's the issue of authorities and process, and those types of things. For example, the premier mentioned that one of the outstanding issues for us, peripheral to this but very significant for us, is that we've got to sort out our borrowing limit because we want to be able to do significant infrastructure developments that will benefit industry, and we need to be able to manage our money. I've talked about our AA1 credit rating, for example. It will allow us to be able to go to the marketplace, work with industry, and make some of these projects a reality.

It's not a question of money from the federal government. Just give us the tools and let us manage our business without needless constraint.

That's a related piece as well. These issues are all going to need to be addressed.

Ms. Jean Crowder: To be clear, Minister, we have faith in the Northwest Territories. We don't have faith in the federal government.

Do I have time?

The Chair: You have about two seconds.

Ms. Jean Crowder: Okay, that will conclude my comments.

The Chair: Mr. Leef, we'll turn to you now for the next questions.

Mr. Ryan Leef: Thank you, Mr. Chair.

I think you've articulated it quite well. We don't want perfection to stand in the way of progress. If we waited for happiness all across the land on all occasions and every *i* to be dotted and *t* to be crossed, we might never see this happen. You've certainly articulated well that your government and the people of the territories are in a great position to look at how it's working. They will continue to communicate and prepare themselves for a five-year review and move this forward. You've clearly expressed on the record that Premier McLeod's relationship with the Prime Minister is solid, and that obviously flows down to the relationship with all of your respective ministers and the Government of Canada's ministers. So I clearly don't share Ms. Crowder's concern about being able to move this forward. I think you've clearly articulated on the record that we're in a good position to make sure that this agreement has its best chance of success and that future amendments and changes and adaptations will be met with a positive response from our government.

You talked a bit about the 2003 experience in the Yukon—it was brought up by Ms. Jones—and some financial challenges. Of course, we all remember well that the Liberal government was leading that one and any miscalculations there might have been a challenge with a different government in charge. Since that point, we've brought in historic resource revenue-sharing agreements for the territory and we've increased the borrowing limits for all the territories. As you mentioned just a moment ago, you need to work on the territorial borrowing limits because of major infrastructure projects.

Can you touch on past and present, including what the government has done in increasing the territorial borrowing limits to this point, and where you want to see that go, and potentially what the Northwest Territories can do with their major infrastructure needs with the devolution agreement? What proposed territorial borrowing limit increase would you be looking for?

• (1250)

Hon. J. Michael Miltenberger: Mr. Chair, I'll quickly touch on some of the goals we have.

Around Yellowknife, in the North and South Slave, we have two unconnected hydro grids that we need to connect so we can have greater efficiency, and so we can look at providing energy at a reasonable cost up to the diamond mines. Every year that we can help support extending mine life, it's \$250 million a mine. The diamond mines contribute about \$2.5 billion a year to GDP.

We need to connect those grids. We need to look at a southern intertie so we can become part of the grid, either in Saskatchewan or in Alberta, so we can have that development and the affordable energy that is absolutely critical to life in the north. It's critical anywhere, but our cost of energy is one of the biggest deterrents we have to development. There's that piece.

If the Central Mackenzie oil plate takes off, we want to be able to work with industry to put the road in from Norman Wells to hook into the highway system down south at Fort Wrigley. We need the capacity. That's about a \$250-million project. That transmission line piece is about \$700 million.

With an \$800-million borrowing limit that is now constrained because we have to include NTPC debt, which is self-financing, for example, for \$400 million, it takes up a lot of room. The federal

government has worked with us. We've gone from \$300 million, to \$500 million, to \$800 million over the years. We've managed to put in our share of the money for the Inuvik-Tuk highway.

We also are putting in a major fibre optic line all the way from Inuvik down to hook into the southern fibre optic system. Inuvik is going to be one of the premier sites in the world for remote sensing. It's different from non-renewable resources, but it's an incredibly important project.

We're doing all of that because we have the room under the current system, but for those other big projects I just talked about, if we don't get an accommodation, then our development and our ability to implement devolution are going to be severely constrained.

Mr. Ryan Leef: In the Yukon when we entered devolution, we saw expansion in terms of opportunity and training when certain jobs rolled over on land management. I know that this is getting into the nuts and bolts of it a bit, but do you see some expansion in terms of training opportunity, education opportunity, and work development opportunities for people when land management transfers over, or in other specific career fields?

Hon. J. Michael Miltenberger: Thank you, Mr. Chairman.

Very quickly, I'd like to point out an earlier comment you made. We learned from the Yukon experience. I read the paper that was done by the federal government on lessons learned from the Yukon process. I think there were lessons that we all took into consideration and were very important to us. That's a good piece.

We see that there are going to be significant opportunities. But one of our challenges, in fact, is that between ourselves and industry we currently have jobs going begging because we can't fill them, in communities, or industry, or government. As a government, we have roughly 800 vacancies that we're trying to fill, both in Yellowknife and outside Yellowknife. At the same time, the mines have to recruit farther and farther afield.

We want our kids to go to school, we want northerners trained, and we want them to be working in the north. That's one issue. The other big problem, though, is that we do at this point—the Yukon may be the same—have vacancies that we are struggling to fill.

The Chair: Thank you.

Mr. Bevington, we'll give you time for a short, short question.

Mr. Dennis Bevington: Well, this whole issue of the regulatory system, which the federal government is running with, is based on the fact the NWT hasn't worked for the last years. What you just said, I think, is indicative of the fact that the NWT has had a lot of development. It has had development that it can't handle. It's at a point.... We've had three mines developed in the last dozen years. We've seen three more mines that have gone through the regulatory process and have achieved approvals.

The minister talked about our economy as being little short of a basket case. That's really not appropriate, is it? Our economy in the Northwest Territories is moving along very well. As you point out, we can't even fill the positions that are available in the Northwest Territories. Is that correct?

• (1255)

Hon. J. Michael Miltenberger: Thank you, Mr. Chairman.

Of the three territories, the Northwest Territories has the largest GDP. We have gross domestic product worth about \$4.5 billion.

There are challenges in our territory. One of our challenges is that our population has been stagnant. We're looking to get people in the north.

But we do have plenty of opportunity. We have clear thinking about how we want to address that. On the issue of training and filling vacancies, every jurisdiction across the country is struggling with those challenges. We are no different—just a little farther away.

The Chair: Thank you.

Minister, we want to thank you for coming. We appreciate your coming to testify on this important and transformational bill. We look forward to being in discussion with your government over the next number of months on this. We hope to see things move along.

Hon. J. Michael Miltenberger: Thank you.

The Chair: Colleagues, we'll see you on Tuesday.

The meeting is adjourned.

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