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Chair

Mr. Chris Warkentin

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• (1530)

[English]

The Chair (Mr. Chris Warkentin (Peace River, CPC)): I call this meeting to order. This is the 11th meeting of the Standing Committee on Aboriginal Affairs and Northern Development.

Today we continue our study on Bill C-15, our review of the bill.

We have three witnesses for our panel this afternoon. From Dominion Diamond Holdings Ltd., we have Brendan Bell, the president. Thank you so much, Brendan, for joining us.

We have, from the Mining Association of Canada, Mr. Rick Meyers. Thanks so much as well for joining us.

Also Bob Bleaney is here representing the Canadian Association of Petroleum Producers.

Usually in committee we turn the floor over to our guests to give an opening statement of 10 minutes or less. We'll do that, and then we'll have some questions for you. We thank you for joining us today. We know that you're all very busy and have other things to do, but you have taken the time to join us and we certainly appreciate that.

Before we turn it over to our guests, I want to note that this is the continuation of our hearings. We just came back from Yellowknife. I want to take the time to thank our staff, our analysts, our clerk, as well as our logistics officers, who undertook the work that was necessary to get us to Yellowknife and back on time and on schedule, taking care of all the needs that we had. We certainly appreciate our staff, their diligence, and their continued work, as well as the work of the interpreters who travelled with us. All of them are still at work and we appreciate that.

Let's turn it over to our guests. We'll start with Mr. Bell and his statement, and then we'll turn it over to the other gentlemen before we ask questions of you all.

Mr. Brendan Bell (President, Dominion Diamond Holdings Ltd.): Mr. Chairman and committee members, thank you for the opportunity to be here today to present to you on what is obviously very important legislation for the Northwest Territories. I know very well the logistics of moving around between the NWT and Ottawa, so I appreciate your recognition that it was important to take this work on the road and go up to Yellowknife and visit. This is a very hot topic in the Northwest Territories. It's very important; monumental, really. It was important for people to see that work being done.

I am here today representing Dominion Diamond as president of the company, but I'm also here as a proud northerner. I've lived and worked in the Northwest Territories since I was very young. I'm also a former member of the Northwest Territories legislative assembly. I firmly believe that the future of the north is about northerners having more say and more decision-making power over the future development of the territory. I'm also very proud to work for a company that shares that belief.

I want to take you through some of the history of Dominion Diamond. You may remember them formerly known as Harry Winston Diamonds, a venerable retailer of jewellery, now Dominion. We have a long history in the NWT. The roots trace back to the original discovery of Canadian diamonds. My colleague from MAC will talk a little bit more about that in the next few minutes.

In the 1990s diamonds were discovered. We were on the scene and a part of that discovery. We founded and still own 40% of the Diavik Diamond Mine, which is run by multinational mining company Rio Tinto. Our chairman and CEO, Bob Gannicott, was in fact one of the earliest explorers for northern diamonds. He's worked extensively throughout the Northwest Territories during his career. He's worked across the arctic from Nunavut and in fact Greenland to Alaska. Dominion Diamond is the NWT's largest mining company. We are proud of the fact that we have hired and employ more northerners, and in fact aboriginal northerners, than any other mining company in the Northwest Territories; I hazard to say even any other company in the Northwest Territories. We are a very important employer in the region.

Last year our chairman and board of directors made a decision to pursue additional diamond assets in the north. As a result, we ended up selling our jewellery business to Swatch and purchased an 80% ownership stake in the Ekati Diamond Mine. We believe that this decision to invest in the north, when others in the industry clearly were leaving and also during a period of economic uncertainty internationally, reflects our ongoing belief and confidence in Canada's north. Just as important, a decision by our board to move our corporate headquarters from Toronto to Yellowknife after our purchase of the Ekati mine is yet another important indication of this confidence. I ask you to remember that we are traded on the TSX and on the NYSE. I know we are the only company that would be located in Canada's north in that respect.

I would also like to say that this is a pragmatic decision to move north. We took the decision with the understanding that devolution was imminent. We said to ourselves that if decisions were going to be made in the north, and that's where the decision-makers were going to be, then that's where we needed to be. In addition to our interest in the two operating mines we continue exploration, both within our Diavik and Ekati claim blocks but also external to that. We have some additional claims. We are firmly of the belief that all of the diamond mines that are going to be found ultimately in the Northwest Territories have not been discovered to date. It seems incredible that they would have been all found in the first few years of exploration, so we continue to explore.

We also currently have two applications before regulatory boards that would extend the life of the Ekati mine by an additional 10 to 20 years. We can't be sure how long that mine life would be, but at least 10 years of open pit in something called the Jay kimberlite pipe, and high potential that we would go underground after that. That 10 to 20 years is both the Jay-Cardinal project, which is going through a full environmental assessment, and also the Lynx project, which has been pushed to permitting already.

Currently, Ekati is scheduled to close in 2019, which I think is why BHP Billiton was selling. These applications for Lynx and Jay-Cardinal extensions are of critical importance to Dominion Diamond. They can also ensure the continuation of the significant economic benefits that this mine brings to the people, the communities, and the governments in the Northwest Territories. These benefits of course include jobs, both direct and indirect; contracts with many northern and aboriginal firms; and also benefits to communities from impact benefit agreements on the sources, and taxes and royalty payments to governments.

Mr. Chairman, as you can see, we have a very large interest in the bill that's presently before your committee. We fully support the devolution of responsibility for public lands, resources, and water to the Government of the Northwest Territories. As someone who has served as a minister responsible for resource development, I know well the importance of giving northerners the necessary tools and the authority to responsibly develop the territory's tremendous natural resource potential.

• (1535)

We would like to congratulate Premier McLeod, his cabinet, and the members of the legislative assembly for a job well done in negotiating this long-sought-after agreement, and as importantly, for working with aboriginal governments to ensure that a "made in the Northwest Territories" approach to devolution was taken.

I am pleased to advise you that our company has developed good relationships at all levels of government in the Northwest Territories, including productive working relationships with the GNWT. We understand that this relationship will change and expand as the GNWT takes on new responsibilities on April 1. We look forward to and are very encouraged and excited about the prospect of working with them during this period.

We fully support the transfer of these responsibilities to the GNWT, but we also recognize that a transfer of this magnitude brings organizational challenges to both governments. Dominion Diamond would encourage both governments to work collabora-

tively to minimize any transitional issues that would lead to unnecessary delays in the regulatory process.

With respect to the regulatory improvement aspects of this bill, Dominion Diamond is supportive of initiatives to ensure an effective but timely regulatory process. Specifically, we're encouraged that the Government of Canada is bringing forth changes that will ensure clarity and certainty in the review and assessment of proposed projects by establishing firm time limits for these reviews, similar to limits that exist in other regulatory processes.

It's a welcome improvement to the current regulatory process from our perspective, both for investor confidence and in regard to our current operations and expansion plans for our continued investment in the NWT. We also recognize that this brings with it an onus on proponents such as ourselves to provide project plans and information in a timely manner, and we intend to do that.

Another section of the bill that's generated great debate is the restructuring of the land and water boards into a single 11-member board. We recognize some of the concerns that have been expressed in the NWT and are encouraged, however, by the commitments of Premier McLeod and his government to work in partnership with aboriginal governments through the intergovernmental council and by both governments to review the provisions of the MVRMA after five years. We think that's very important. From our perspective, Dominion Diamond has had a very productive working relationship with regulators, and we have every confidence that it will continue.

Importantly for us, it's critical to ensure that there are few transitional issues—at least as few as possible—as devolution occurs, but I will tell you that we're very encouraged thus far. Both governments continue to engage with us to ensure we have early visibility on any potential issues that might arise.

Mr. Chairman, I again want to thank you and your committee for offering me the opportunity to speak today and also for travelling to Yellowknife. This is a bill of critical importance to the future of the Northwest Territories.

Mahsi cho.

The Chair: Thank you, Mr. Bell. We appreciate your testimony.

Mr. Meyers, we'll turn to you for your opening statement.

Mr. Rick Meyers (Vice-President, Technical and Northern Affairs, Mining Association of Canada): Thank you.

For the record, my name is Rick Meyers. I'm vice-president of technical and northern affairs for the Mining Association of Canada. Previously, between 1998 and 2007, I was director of mineral resources for Aboriginal Affairs and Northern Development Canada.

My presentation today is based on a joint submission by the Mining Association of Canada, the NWT & Nunavut Chamber of Mines, and the Prospectors and Developers Association of Canada that was presented to Aboriginal Affairs and Northern Development in October of 2013.

In the interest of time, I'll give a very brief overview of Canada's mining industry and the contributions mining has made in the Northwest Territories, and then provide some comments that we wish to put forward on Bill C-15.

I believe most of you are familiar with the Mining Association, so I won't go into much detail here. We have more than 80 members working across all aspects of the sector. Our members are committed to sustainable development, and our performance has been publicly reported under our "towards sustainable mining" initiative

Mining contributes in a major way to Canada's economy in terms of employment and business development, capital investment, and taxes and royalties, and is the largest private sector employer of aboriginal Canadians. As a global competitor, Canada is a world leader in mineral exploration, development, and production, especially as a contributor to Canada's goods exports, at 20% of the total.

The NWT's mining industry today consists of four producing mines—three diamond mines, two of which are world-class mines, Ekati and Diavik, and a tungsten mine, Cantung, which is the western world's largest producer of tungsten concentrate—and some 33 past producers, which long ago established the Northwest Territories as a mineral-rich and productive territory.

Mining is the largest private sector contributor to the Northwest Territories economy. It does that in terms of employment; investment and spending; business development; contributions to northern infrastructure, including more than \$100 million in contributions to community development; and workforce development, specifically in extensive programming in aboriginal skills training and education.

The value of the Northwest Territories' mineral production since 1999 is attributed largely to diamond production, which places Canada third by value in global production. Despite their high productivity, even some of the diamond mines are approaching their maturity. New discoveries will be needed if the Northwest Territories is to maintain the current level of economic prosperity that the mining industry has provided over the last number of years.

In terms of taxes and royalties, since 2002 the mining industry has been one of the highest-paying sectors in the territory. To the end of 2013, corporate taxes and royalties have amounted to approximately \$3.6 billion. By 2020 they're projected to be in the order of \$5.6 billion. The industry also contributes other major payments not included here, such as payroll income taxes and fuel and property taxes.

I'm not sure if you have a copy of the deck I'm using here, but in terms of aboriginal business development, our deck contains a list of more than 50 aboriginal companies that provide goods and services to the Northwest Territories mines. Fifteen years ago less than a handful of aboriginal companies had the capacity to do such business, so this is an incredible story of success for northern mining working so successfully with aboriginal communities.

With respect to Bill C-15, the mining industry sees devolution as an important step forward for the Northwest Territories, and long-awaited. As an indication of its recognition of the importance of our sector, the Government of the Northwest Territories has partnered with the NWT & Nunavut Chamber of Mines to produce its new mineral development strategy.

This strategy is intended to focus on five key pillars to improve competitiveness and enhance northern opportunities: creating a competitive edge, with the NWT as an investment destination of choice; improving the Northwest Territories regulatory environment; enhancing aboriginal engagement and community capacity; promoting sustainability; and enriching workforce development and public awareness. These are all positive initiatives.

● (1540)

In terms of industry's participation and input, again I refer to my deck. There is a table that shows the involvement that industry has had in northern regulatory improvement over the years. I won't go into it in much detail, but the table indicates that we have been fully engaged from the beginning in several of the government's northern initiatives during the past decade.

They include, particularly, Minister Strahl's northern regulatory improvement initiative, Minister Duncan's action plan on improving regulations, and now the amendments to the Mackenzie Valley Resource Management Act under Minister Valcourt. We have been there pretty much every step of the way.

The MVRMA defines the regulatory framework for most mining projects in the Northwest Territories, and the key proposed amendments under consideration are the addition of timelines to bring the northern processes in line and create equivalency with the Canadian Environmental Assessment Act.

The authority for ministerial policy direction to boards, the consideration for the life of project water licences, and of course the restructuring of the land and water boards are all generally considered to be improvements, or at least potential improvements, to the act. However, there are other opportunities that we think are important that we'd like to put forward. I have five points I want to make.

The first relates to timelines. Our issue is with the requirement for the completion of an environmental assessment, which can take 12 to 24 months, prior to the commencement of an environmental impact review, which is another 24 months, and that is if there is no public hearing. The solution we propose is that if an EIR is required, we recommend consolidating both processes into a single 24-month process, with full consideration for any and all evidence presented in any earlier environmental assessment process.

The second one is unwarranted referrals, and this is in reference to what we believe to be unwarranted referrals to environmental assessment of low-impact activities such as grassroots exploration projects, small drilling projects, geophysical surveys, and the like, based on undefined public concern. Our recommendation here is to put some definition on “public concern” and its scope, and apply the definition appropriately.

The next point relates to proportionality. We advocate for the flexibility for a board to tailor the scope of an environmental assessment in proportion to the magnitude and expected impacts of a project, rather than a one-size-fits-all approach.

The fourth is in reference to the restructuring of the land and water boards. We recognize that this proposal presents concerns and we also understand that there are advantages and efficiencies with this approach. However, in recent years we've seen an increase in the maturity and professionalism in board management and the processes that they administer. Our members have established productive working relationships with the regional panels. I particularly want to point out the Wek'eezhii board here.

We want to emphasize the importance of those relationships, going forward. We also want to stress the importance of ensuring that community representatives continue to be involved with projects coming forward in their regions.

Finally, with respect to the duty to consult, we have seen much of the responsibility for consultation delegated to industry over the past number of years, so we therefore welcome the provision to create regulations to address this. But these regulations will probably take a few years, so in the interim we suggest that this is perhaps an area where the minister could apply his or her policy direction to the boards for the clarification of responsibilities when it comes to consultation.

Looking to the future across Canada, the Mining Association of Canada has estimated some \$140 billion in proposed mineral development projects that are currently in environmental assessment and permitting processes. In the Northwest Territories, most of the projects coming forward are included in this estimate. In the north, mineral development is the primary and frequently the only opportunity for economic development for many, if not most, northern remote communities. Future development in the Northwest Territories will be dependent on its ability to attract investment. Therefore, the Northwest Territories investment climate will be a highly motivating factor.

In summary, successful development attracts new investment; however, this investment cannot be taken for granted. Capital is mobile and competition for it is global.

• (1545)

Investment decisions are made on fairness and predictability of process, so confidence in the regulatory process is paramount. An improved regulatory environment will help provide certainty for northern operators, and Bill C-15 has the potential to support this objective. We encourage you to consider the recommendations that we're putting forward here today.

Thank you very much for the opportunity.

The Chair: Thank you, Mr. Meyers, and thank you for your opening comments.

We'll turn to you now, Mr. Bleaney, for your opening comments.

Mr. Bob Bleaney (Vice-President, External Relations, Canadian Association of Petroleum Producers): Good morning, Mr. Chairperson and members of the committee.

My name is Bob Bleaney. I'm the vice-president of external relations for the Canadian Association of Petroleum Producers, or CAPP.

CAPP represents Canada's upstream oil and gas sector. Our members find and develop about 90% of Canada's oil and natural gas resources all across the country. Together, they invest over \$60 billion annually and employ more than 550,000 people across Canada.

We appreciate the opportunity to contribute our perspectives regarding Bill C-15, the Northwest Territories devolution act. This is a historic bill, as the people of the Northwest Territories are set to take control of the future path of the development of the abundant natural resources in their region.

As you are aware, the bill was tabled in early December last year. Although we are still in the process of assessing all its implications, we can say that CAPP supports the intent and the spirit of Bill C-15 and views it as a positive step that will aid northern development.

To date, CAPP has primarily focused its review on part 4 of the bill, relating to the proposed amendments to the Mackenzie Valley Resource Management Act, or the MVRMA.

The federal government's initiatives for regulatory reform have been a positive step forward towards improving regulatory efficiency and effectiveness while ensuring a continued high standard of environmental performance. Extending these reforms into the Northwest Territories will be important for attracting and enabling investment that creates jobs, economic growth, and prosperity for the Northwest Territories and all Canadians.

Regulatory process bottlenecks in the past have often led to project delays or outright cancellations, with the resulting adverse effects on economic and social benefits that could flow from these projects. Accordingly, CAPP is strongly supportive of the government's objectives to improve the efficiency and the effectiveness of the northern regulatory regime.

The MVRMA is a core piece of regulatory legislation in the Northwest Territories, and the proposed changes to this are very important to our industry. For example, the ability for the minister to give binding policy direction to all MVRMA boards, including the land and water boards, the land use planning boards, and the environmental impact review boards should provide for a more cohesive, unified, and comprehensive review process, one that should be a benefit to all parties involved.

CAPP fully respects existing comprehensive land claim agreements and aboriginal treaty rights and supports the federal government's protection of these agreements and rights in the proposed amendments.

CAPP's view is that the regulatory bodies in the north should be efficient, timely, and ensure regional knowledge is appropriately considered in the review process. In this vein, we support the accommodation measure in the MVRMA that requires the chair of the Mackenzie Valley Land and Water Board to consider the inclusion of regional nominees when committees are dispatched to address proposed projects. This will be particularly important in respect of the proposed board amalgamation, in order to retain regional representation in their process.

The proposed clarification of timelines for the environmental impact assessment process is also a very positive step. The historical lack of predictability—and the resulting uncertainty—of review timelines for project proposals in the central Mackenzie Valley has been a significant concern for project proponents.

Investment and operational decisions benefit from a predictable review process, particularly as to review scope and timing. This is essential for being able to manage work activities to fit within the limited seasonal operational windows that exist in the north. Unexpected delays in the timing of authorizations can disrupt project plans, which can translate, as I mentioned, to serious delays and missed opportunities.

Critical path decisions and investment timelines have been a systemic challenge to the north and are especially pronounced when compared to timelines in competing oil and gas jurisdictions. Our industry is global in scale, and northern oil and gas exploration and development projects have to aggressively compete for limited investment dollars against opportunities elsewhere in Canada and around the world. Reducing the risks and uncertainties in project review timelines, as proposed in this legislation, will serve to improve northern competitiveness.

Devolution of federal responsibilities to the Northwest Territories, coupled with increased exploration interest, facilitates the opportunity to make the needed improvements to regulatory efficiency and effectiveness. The transition stage from April 1 forward will be a crucial time.

• (1550)

CAPP appreciates the mirroring of the federal legislation that's been mandated by the devolution agreement, which will support stability, continuity, and predictability of the regulatory regime through this transition.

Such a regime is fundamental to creating a positive environment for investment, which creates jobs and economic growth, and tax and royalty revenues to government. Industry invested about \$600 million in the north over the past three years, and is expected to spend an additional \$650 million based on existing land commitments alone. An improved regulatory framework should help to stimulate further investment.

The north is a key area of interest to our industry, an area of vast oil and gas potential but not without its challenges, which makes regulatory effectiveness and efficiency that much more crucial to success. Being a frontier area, there is a lack of infrastructure, likely the most limiting factor for exploration and development work in this region, whether it be with regard to physical infrastructure, like roads or pipelines or facilities; community infrastructure with respect

to housing and recreation; workforce availability; or service sector support.

Although there is large resource potential, most of these resources await confirmation as to whether they are economically viable, and timely assessment through exploration will be key to their realization.

I should also note that the north is not alone in its challenges. Whether in producing jurisdictions such as B.C., Alberta, Saskatchewan, and the Atlantic Canada offshore, or potential new development areas, such as Quebec, New Brunswick and the Atlantic onshore, there are common challenges facing Canadian oil and gas development. They include access to domestic, North American, and other international markets; competitiveness in the areas of fiscal and regulatory policies; workforce availability; access to precious investment capital; and having the social license to operate with respect to public confidence and trust.

With devolution set to go live April 1, 2014, and the related legislative changes through Bill C-15, there is a historic opportunity for the Northwest Territories to start to address these challenges and advance its vision for oil and gas development. There will be ongoing regulatory work needed to be done to achieve this vision, as it will remain important to ensure the timely implementation of related changes to regulations and policies to support this legislative intent.

In closing, CAPP supports the federal government in its efforts to improve the regulatory framework in the Northwest Territories. These amendments have been under development and consulted upon for a number of years as part of AANDC's action plan on northern regulatory improvement. These amendments are a positive step forward on the long road towards expanded oil and gas exploration and development in the Northwest Territories.

We look forward to continuing to consult with the Northwest Territories and federal governments to work together to help this vision become a reality. I'd like to thank you for this opportunity to present to you today. I look forward to your questions.

• (1555)

The Chair: Thank you, Mr. Bleaney.

We thank you all for coming. We have some questions for you, no doubt.

We'll turn to our first questioner.

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

Mr. Dennis Bevington (Western Arctic, NDP): Thanks, Mr. Chair.

Thank you to the witnesses. We're certainly glad that you're here today to give this testimony on, I would say, a very interesting and exciting opportunity for the north. But it's one that's been tempered, if you've been following the testimony that took place in Yellowknife earlier this week, by the strong presentation by the three claimant groups that have particular interests in maintaining the integrity of their land claims agreements through the regional boards, which they recognize the importance of.

Going forward in the Northwest Territories, when we look at the statistics, the level of projects that go forward in the unsettled areas versus the settled areas, you see the difference that occurs there. Would it not be wise to say that one of the most important elements of moving forward with development in the north is the settlement and implementation of the claims agreements with all the aboriginal groups?

Mr. Bell, would you like to speak to that?

Mr. Brendan Bell: Thank you, Member Bevington for the question. It's nice to see you, Dennis.

I think it's undeniable that we need to focus our efforts and collectively put our shoulders to the wheel of settling these outstanding claims, and that certainly would make a difference.

I know the GNWT is focused on that, as is the federal government. There has been not enough and not an awful lot of progress in the Akaitcho region, which is where a lot of the prospective mining will occur in future.

But if we're going to be honest about this, there are things that industry points to for lack of development. Certainly unsettled claims are among them and are near the top of the list. Over the years, the much maligned regulatory regime has been pointed to as well.

We need to start knocking down some of these hurdles to development. The settlement of claims will be one, and we need to work to fast-track that. Reforming the regulatory regime is another. As well, if we're just going to be completely honest about it, we need some help and some tailwinds from commodity markets. I've been around a number of tables where it's been clear to me that you could hand permits out at the table and you just weren't going to be able to build mines, so it's important that we keep that in mind as well.

● (1600)

Mr. Dennis Bevington: I was really looking for a comment from you on the claims process. I'm limited in my time, so I really must ask you to be specific to the questions.

The Chair: Feel free to ask your questions, Dennis.

Mr. Dennis Bevington: When we have a situation now in which the claimant groups are all saying they're going to take all available action to fight the changes that are proposed in the regulatory system, specifically the loss of the regional boards—that's what happened in Yellowknife on Monday—and we have an agreement that says that no less than five years has to pass before we have any review of the changes to the regulatory system, is the mining industry at all concerned that we may end up in the situation in the next five years of having litigation and issues with trust and cooperation with the first nations, who quite clearly said that taking these regional boards away was unacceptable to them?

The Chair: Is that directed to anybody in particular?

Mr. Dennis Bevington: It's for the mining industry.

The Chair: We'll turn to Mr. Meyers if he has a comment.

Mr. Rick Meyers: Certainly it would be a concern if litigation came forward as a result of this move in terms of restructuring. However, we believe there are opportunities with respect to restructuring. You're right that it's intended to sort of freeze the process for the next five years, but five years can be a relatively short time. There will undoubtedly be opportunities to work with the Government of the Northwest Territories in the future, we hope.

Mr. Dennis Bevington: Five years is a short time, but three years for an environment assessment project is a long time.

I don't quite understand that logic, but I'll accept it because it's coming from you and you're speaking in front of a committee that relatively expects you to speak the truth.

That's a concern we all have. As a result of that, I'm going to bring a motion forward now, Mr. Chair. I'd like to move:

That the Committee recommend to the House that it be granted the power during its consideration of Bill C-15, An Act to replace the Northwest Territories Act to implement certain provisions of the Northwest Territories Lands and Resources Devolution Agreement and to repeal or make amendments to the Territorial Lands Act, the Northwest Territories Waters Act, the Mackenzie Valley Resource Management Act, other Acts and certain orders and regulations, to divide the Bill in two separate bills such that those sections dealing with amendments to the Mackenzie Valley Resource Management Act and any consequential amendments flowing from the amendments of the Mackenzie Valley Resource Management Act form a separate bill.

The Chair: Thank you.

Were you serving notice or are you moving a motion now?

Mr. Dennis Bevington: I'm moving a motion.

The Chair: I am just asking you to entertain the idea that we could move this to committee business later on so we don't take up the witnesses' time.

Mr. Dennis Bevington: I'm not prepared to do that at that time because we're going in camera at that time and I'd prefer this to be part of the public record.

The Chair: You have a copy—

● (1605)

Mr. Dennis Bevington: Yes.

The Chair: —and you can circulate it to committee members in both languages? We're going to have this circulated to members if it is in both languages.

It's not in both languages, so we're unable to circulate it. Let me just take a second here.

We can't circulate it because of the language requirements. We could move to a vote if committee members are prepared to do that.

All those in favour of the motion?

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Sorry, Mr. Chair. I'd like to speak to the motion.

The Chair: Ms. Crowder, please.

Ms. Jean Crowder: I want to acknowledge the work that Mr. Bevington has done in bringing this forward. I know that we've had informal discussions around this, but I think what we've heard quite clearly is that there's pretty broad support for the devolution aspect of Bill C-15. What is more problematic are the changes to the MVRMA.

Unfortunately, as committee members know, I was not able to attend on Monday because of Canada's lovely weather system, but I did read the briefing notes that were prepared. There was pretty overwhelming opposition to some of the proposed changes in the MVRMA.

It would seem that with such significant changes that are going to have such a widespread impact, it would be important for the committee to have an opportunity to consider this bill separately. I think it's in everybody's interests to see the devolution aspect of the bill move forward quickly, but the other aspect, in my view, requires substantially more attention.

I was interested to note that in Mr. Bell's testimony he was talking about the fact that devolution is seen positively in terms of giving more control to the north, yet one of the major concerns that's been raised as a result of MVRMA section is that it will in fact give the minister more control. I won't take the committee's time to read all of the sections that result in the minister having more control, but I think this should be a major red flag for people who are seeing more northern control.

So, Mr. Chair, I would encourage members of the committee to support Mr. Bevington's motion.

The Chair: I think Mr. Bevington wants to comment again.

Mr. Bevington.

Mr. Dennis Bevington: Thank you. I actually haven't commented on the motion, and I would like to.

I think quite clearly what we saw, and what we're seeing here today as well, with the testimony from the Mining Association, is the real concern about how we develop this legislation moving forward in the Northwest Territories. Ms. Crowder is correct; there is some opposition to devolution, although it certainly doesn't reflect anything but a minority opinion in the Northwest Territories. But the devolution bill also contains these elements of the Mackenzie Valley Resource Management Act that are very problematic.

To the committee members who weren't able to hear this testimony because they weren't there, this was a 10-hour session in Yellowknife. I don't know if you've had a chance to go over the blues of the meeting to see the type of dialogue that took place there with very serious and very concerned aboriginal governments. These are respected aboriginal governments in the Northwest Territories. Their testimony cannot be taken lightly. They have been through 40 years working towards what they have today. They're not interested in seeing that taken away from them.

When you look at the Mackenzie Valley Resource Management Act...and I had trouble with Mr. Bleaney's comments, because he spoke to it as if it were an environmental assessment act. In reality, when you read the act, it's an act that demands that you look at the social, economic, and environmental issues in the communities of

the Northwest Territories—by law. In order to accomplish that, it's a much....

That's a very unique act in Canada. Those powers were put in that bill, through a land claims agreement, to ensure that people in the Northwest Territories who didn't have a say, as in the provinces, over how developments occur....

In a province, when a development occurs, there's negotiation with the province that gives some aspect of control over socio-economic issues within the province. In the Northwest Territories, that wasn't in place prior to today. The first nations governments, in their claims processes, have established regional boards that give their people in their communities the opportunity to speak to and to understand the developments that are occurring there.

With the loss of the regional boards, the loss of capacity in those communities will be complete. There will be no guarantee that there will be people in those communities to interpret the developments and to provide the type of input that's required.

Practically, that is one of the reasons why first nations governments are standing up right now, but more importantly, they made the agreements with Canada. These agreements were put in place. This government is making a move here that the first nations governments in my territory feel is improper and incorrect and that is denigrating the agreements they have made with Canada.

It's important that this bill be split so we can move ahead with devolution, so we can move ahead with the types of things we need for our territorial government, for the people of the north, so that they can take firmer control over aspects of land management and environment that are very important to them. The aspects of the Mackenzie Valley Resource Management Act need much more attention, and we do need a separate opportunity to look at this bill.

I'll leave it there. I know our chair is concerned about the time we take with this, but after spending 10 hours in Yellowknife hearing the testimony of people there, I think even our chair has to recognize that these were important issues that needed to be focused on by this whole committee at a time when we had the opportunity to do so.

Thank you.

•(1610)

The Chair: Not seeing any additional speakers we will move to a vote.

Mr. Dennis Bevington: Can we have a recorded vote, please?

Mr. Bernard Trottier (Etobicoke—Lakeshore, CPC) : That motion is out of order because it's not translated.

The Chair: I ruled it in order and it has been read into the record. We'll move to it. It will be a recorded vote.

(Motion negated [See *Minutes of Proceedings*])

The Chair: We will now continue with our speaking list. I do apologize to our witnesses. This is one of these anomalies in the parliamentary system that sometimes change our plans. Unfortunately you were unable to engage in that discussion. It was simply limited to two members. I know that there was some desire to respond to some of the comments that were made directly about each of you, so we appreciate your patience in the process. We do apologize for your inability to respond to those comments.

We will now turn to Mr. Seeback for the next questions.

Mr. Kyle Seeback (Brampton West, CPC): Thank you, Mr. Chair, and I will add my apologies that you haven't had the opportunity to answer questions.

I do want to quickly say one thing about the motion. I didn't want to keep the debate going. Parts of the amendments to the Mackenzie Valley Resource Management Act are actually required to implement devolution in specific sections 145 to 177, so separating these bills out would actually be a problem with implementing devolution.

To move on, some of your comments that you've made on devolution are quite strong and powerful. When we were in Yellowknife we heard the Honourable Bob McLeod, the premier, use such terms as: "usher in a new era of prosperity" for the north; "necessary tools" to develop the resources; it's a "priority"; it's a "game-changer for northerners".

I suspect that all three of you would, in general, agree with the statements that the premier made with respect to devolution.

Anyone can answer.

• (1615)

Mr. Rick Meyers: I think that's true from my perspective and from the mining industry's perspective, although I'll defer to my colleague. The changes to the Mackenzie Valley Resource Management Act that are proposed, we see them as positive. I want to make a point of clarification on that. The points that I pointed out are what I referred to as opportunities for improvement.

That said, the Government of the Northwest Territories in the past few years has shown a lot of positive attitude towards mine development in general. So we are optimistic and hopeful that this will translate into a positive working relationship going forward with them.

Mr. Kyle Seeback: Mr. Bell.

Mr. Brendan Bell: I think it's such a positive, fundamental, and monumental shift for the Northwest Territories, for the people who live there and who will benefit. I firmly believe, as the premier does, that decisions that will impact local people the most should be made locally. Listen, I think that is beyond debate at this point.

I would add one other thing here. I was a member of a government, successive governments, that made a lot of treks to Ottawa to lobby for devolution and it was quite honestly like running up against a brick wall continually.

Something has happened here and the clouds parted, and I think a lot of credit goes to the McLeod government for that. They were able to demonstrate the level of maturity that was required to give people here confidence that this could be done and done well. I think you

had a government and a Prime Minister very interested and motivated to do this. So there was this alignment of the planets. I think we need to seize that, take advantage of that, and move quickly.

Thank you.

Mr. Kyle Seeback: Mr. Bleaney.

Mr. Bob Bleaney: I would echo that. We view the opportunity for these changes as very positive towards our industry. As you know, the oil and gas industry has had some very protracted efforts around projects in the north in the past, and we've learned a lot from that. I think everyone has learned a lot from those experiences. We saw that the proposed legislation was aimed at improving not only the efficiency of how it all works but the effectiveness of it, and I think it offers a greater potential for, really, higher-quality review protocols.

Again, we're very positive with regard to the direction and are anxious to keep working to refine it as appropriate to optimize it for the opportunities that are out there.

Mr. Kyle Seeback: There's one thing I want to talk about and get you to comment on quickly. I forget who said it, but someone said that capital is "mobile". When you look at some of the charts about exploration money in the Northwest Territories, you'll notice that there has been a decline, certainly. I think there's been an uptick recently, but there's been a definite decline in the Northwest Territories.

I would assume that part of it is that people invest their capital where there's certainty, and certainty in process. Do you think these improvements that are going to be made in the—I always say this wrong—MVMRA will actually help with that certainty and change the game a little for capital investment in exploration, so that we can develop those new mines?

Again, that's for anyone.

Mr. Rick Meyers: I'll lead off.

I think it has the potential to do that if it's well managed. It's like any government process. If a process for environmental assessment and permitting takes place effectively and efficiently and is timely, then it will improve what I was referring to before as the "investment climate" in the territory.

Mr. Brendan Bell: Yes, I agree with that. I also think that this is probably far from the end for changes and tweaks to the regulatory regime in the NWT. There will be twists and roundabouts. I think we'll learn a lot about the regulatory regime over the next five years. Future amendments no doubt will come.

Also, some of the perceived problems that we imagine may not be the ones that crop up. I think that if we were to imagine that we could anticipate all of the challenges and problems, it would be quite naive.

I think the industry is very optimistic about this, and I think that optimism will translate into increased investment. That takes time.

• (1620)

Mr. Kyle Seeback: That's the importance of the review as well—

Mr. Brendan Bell: Correct.

Mr. Kyle Seeback: —to make those tweaks, if necessary, down the road.

Mr. Bleaney.

Mr. Bob Bleaney: Yes, we would agree with that.

For our industry in particular, as you know, in the central Mackenzie Valley region right now there has been increased interest in exploration. We look forward to this new legislation helping to facilitate and expedite the decision-making processes to help people move ahead with exploration programs.

That confidence is very important for investment. With an uncertainty in the time process or in the process overall, it just lends itself to more questions, and it deflects capital away from the opportunities.

Mr. Kyle Seeback: That's great.

Thank you.

The Chair: We'll turn to Mr. Regan now for the next questions.

Hon. Geoff Regan (Halifax West, Lib.): Thank you very much, Mr. Chairman.

Thank you, witnesses, for coming here today.

As I think about the north, it strikes me, of course, that we have the name the "Yukon Territory"—it's the Yukon, but it's a territory—and, oddly enough, the territory we're talking about today is actually named in the plural, the "Northwest Territories". But I think there's still a reason for that when you look at the enormous size of the region and the differences throughout the region.

That raises a question. I'm going to ask Mr. Bell to start off on this.

What has been your experience of working with the individual land and water boards around the Northwest Territories? Can you give us some examples? Also, what is it that gives you confidence, or why would you argue that a super-board would have enough understanding of the differences in those different parts of the Northwest Territories?

Mr. Brendan Bell: Yes, well, certainly time will tell whether or not that mechanism is the most effective and efficient.

Look, our experience in dealing with the local boards, especially the Wek'eezhii Land and Water Board, a regional board, has been very positive. I think there's been some incredible capacity that has been developed there, and that needs to be maintained. I think we need to sit down as northerners—and I know the premier has committed to do this—to find a way to make sure we don't lose that capacity.

I guess, though, I would also tell you that at a working level there's a lot of collaboration between the main board and the regional boards right now, today, and I expect that will grow stronger and will continue. In fact, you've just seen an executive director from one of the boards switch hats and go to another board. I think there really is a commingling of resources and a collaboration there.

I don't know that this scuttles all of that, but look, I don't want to form opinions before we go out and see how it works. I think the most important element here is local control—those who are most invested in the outcomes here are making the decisions.

Thank you.

Hon. Geoff Regan: Well, when you talk about local control, I guess that's what I'm asking about, really. With the land and water boards set—the plural land and water boards—doesn't that give more local control?

Mr. Brendan Bell: On the face of it, it's hard to disagree that these local pockets, these local boards, offer an aspect of local input and decision-making. But I think we've seen, especially in big projects like the Mackenzie gas project, which became a regulatory—I won't say "disaster", but it was certainly complex and tricky. The need to go through a number of jurisdictions needed to be recognized. I think these boards need to be able to work together.

I'll give you an example. Although our mine is regulated by Wek'eezhii, our impacted groups involve the Inuit in Coppermine. They're at the end of the watershed. They have no involvement in the Wek'eezhii board but they have a lot to say about the char fishery and about our operations. It also involves the Akaitcho people, primarily in Lutselk'e, and the Yellowknives Dene, who have no involvement at Wek'eezhii yet need a voice. It's the same with the Métis. We have a number of impacted groups who need to have the ability to have an impact and input on mines.

So if it were simplistic and all mines and all projects could reside in and only influence one regional area, then I think you'd be absolutely correct. I think we need to work our way through this. I think the premier is committed to doing that. I'm confident we can.

Hon. Geoff Regan: Okay.

Let's turn to the environmental assessment process. What are your thoughts, Mr. Bell, on the current environmental assessment process, and how do you feel it could be improved?

Mr. Brendan Bell: Look, we're right in the midst of it, so I guess I'd want to talk only in generalities. We are in the midst of an environmental assessment.

I think there's no doubt that defined timeframes for environmental reviews are a positive step forward. My understanding of this is that it really is much like chess. It's a two-year review. The clock is only ticking when it's in the purview of the regulator, but there is a serious onus on proponents to get their act together, too.

I can tell you, that cropped up for us this week as we were talking about anticipating needing more time to provide some input into a regulatory review. We got together and said that with governments collectively looking to do everything they can to put their shoulders to the wheel here and expedite timeframes and make sure this is done in an efficient manner.... We just can't do that. We need to bring more resources to the table. We need to work more hours in the day. We need to find some way that we are not an impediment to this process ourselves.

So I think it's forced everybody to get serious about this and to really start to think about how they can be part of the solution.

• (1625)

Hon. Geoff Regan: Thank you.

I'll start with Mr. Bleaney on this one, but you might all want to answer. If the time will allow that, I will as well.

Given the changes in the way this bill would manage onshore and offshore resources, and the changes in the sharing of that responsibility between the federal and territorial governments, what are your concerns about the shared management of resources and lands proposed here, and how do you feel it would affect development?

Mr. Bob Bleaney: As I mentioned earlier, we're in favour of the process transitioning smoothly, if you like, from the federal regime to the guidance and stewardship of the Government of the Northwest Territories. That is important. We don't want to see the transition not go well.

We're confident that it can go well. We're looking at the way this has been put forward. The approach that's been taken in the bill is consistent, we think, with trying to manage that carefully, recognizing that it is important that there be continuity in the process.

Hon. Geoff Regan: Anyone else?

Mr. Rick Meyers: I can't speak to offshore resources. Mining is done onshore.

Hon. Geoff Regan: Clearly—well, so far.

Mr. Rick Meyers: If there is a restructuring of the boards, my impression—it's as much a guess as a hope—is that they will draw from the existing people who have been involved with the boards. The staff has grown and matured. There are some very competent technical people involved with all of the boards, so there is an excellent source of talent to draw from.

Hon. Geoff Regan: By the way, when you say that of course you don't do mining offshore—

Mr. Rick Meyers: Not in the Northwest Territories.

Hon. Geoff Regan: —interestingly, I come from a province where you don't call it offshore mining, but coal mines used to go out several miles under the ocean off of Cape Breton. But that's just for interest's sake.

My time is up? Okay, thank you, Mr. Chair.

The Chair: Thank you, Mr. Regan.

We'll turn to Ms. Crockatt for the next questions.

Ms. Joan Crockatt (Calgary Centre, CPC): Thanks very much.

Mr. Bleaney, I was interested in hearing you say that the markets are competitive and they can be rather fickle and money will move where the opportunities exist. I wanted to follow up on that. The lack of predictability has been a significant concern for you. How will this bill improve the ability to attract investment in the north in a very highly competitive natural resources market?

Mr. Bob Bleaney: As I mentioned, one of the uncertainties that the north has faced in the past has been the review process, in terms of its timeliness and just exactly how it gets conducted. We think this proposed legislation, which puts together the large board with relationships to the small regional boards, and the way it's been designed should be offering a lot more continuity or consistency in approach. With the fixed timelines that have been identified for the review process, there is certainty as to when a decision can come down. I think those things will be very favourably received by people who are trying to do investment work in the north.

Ms. Joan Crockatt: I may come back to that, but I'd just like to move on to another point you made here first. You said, in talking about the competitive markets, that companies are always comparing one country to another, one project to another, to see how the timelines that are established here under Bill C-15 compare on an international basis. How do they compare internationally to those that competitors who are looking at coming into the north would be looking at?

• (1630)

Mr. Bob Bleaney: I'm not really in a good position to respond to the question on international timelines, because I haven't been briefed on the international timelines for this particular type of activity.

I can say that for our industry right now the environment in greatest competition with the Northwest Territories is probably Alberta and British Columbia for similar types of activities. Even with the timelines being put in place for the Northwest Territories, there are considerably longer timelines for normal well-drilling activities, and so on, than would be experienced in Alberta and British Columbia.

That being said, just having that certainty is still a positive step in the right direction, and I think, as we work through this and implement this act and work closely with the regulators, we're going to find ways...because the timelines that are put out there are the maximum timelines. I think there are ways we can work within those timelines to further improve on the efficiency of the process.

Ms. Joan Crockatt: I was actually told by a former member of the National Energy Board that Europe operates within an 18-month timeframe for environmental assessment. Is anyone on the panel today familiar with that? No. Okay, thank you.

Mr. Bell, it still amazes me that the NDP, which claims to be in favour of job creation and the working person, would try to delay a bill like this and delay ushering in the era of prosperity for the north, as you put it so aptly. We seem to have a window of opportunity here. You went through part of the very excruciating Mackenzie Valley pipeline project, and I'm wondering if you think there is a need to ensure that this bill goes through now quickly or whether it could happen at any time.

Mr. Brendan Bell: I was the energy minister during the Mackenzie gas project. I testified in front of the National Energy Board. It was a particularly painful chapter for the Northwest Territories in terms of regulatory processes. I think that really was the light going on for many, locally and across the country, that we needed to do something to improve the regulatory environment.

With respect to devolution, yes, you make hay while it's sunny, as I said earlier. I think we really have an opportunity here with a premier who's capable, a government that's very able, and a federal government willing to devolve authority. We need to move this. I would hate to lose the momentum, so I think we need to move this ahead as quickly as we can.

Thank you.

Ms. Joan Crockatt: Mr. Bleaney, I believe you said this will involve higher-quality review protocols. Can you expand a little bit more on that? How will the review protocols be stepped up? How will the environment be protected? Thank you.

Mr. Bob Bleaney: My comment in that space is coming from the general expectation that as you consolidate the talent base for the review process, you have greater capacity to provide the appropriate reviews that need to be done to assess the environmental and socio-economic implications of these kinds of projects. By virtue of the fact that you have one larger resource—that's the premise I'm working with—that would be more capacity to give a thorough review.

Ms. Joan Crockatt: To the other two members of the panel—if I have time, Mr. Chair—do you want to address that question? How do you think that this will have a higher-quality process to what you had before? You can speak specifically or generally.

Mr. Rick Meyers: I think it will have a higher-quality process if it's managed properly and efficiently. It comes down to the ability of the board or boards to manage the process effectively. As I was referring to earlier, there's a good pool of talent amongst the three boards, or four boards, that are there now, so I'm optimistic that will take place.

Mr. Brendan Bell: Yes, I'm also hopeful and optimistic that will take place. I know the premier is seized with this and recognizes he's now going to have the ability to influence outcomes and work with aboriginal governments to make sure we get this right.

Will there be some growing pains? For sure there will be, but I think we're going to find our way through this. I just fundamentally believe that the sooner we get local control, the better off we'll be. We'll work out the kinks as we go.

Thank you.

Ms. Joan Crockatt: I was intrigued with the idea, Mr. Meyers, that there shouldn't necessarily be a one-size-fits-all for smaller projects or bigger projects. I wondered if you could just give us a bit more detail on that in the moments we have left.

Mr. Rick Meyers: It was intended to speak for itself. There are, obviously, projects of different sizes. Major projects, such as the development of a major diamond mine, are going to take more time and a more detailed and extensive process compared to a small advanced exploration project. The assessment process should be tailored to the size and the impact of the project.

• (1635)

The Chair: Thank you.

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

Mr. Dennis Bevington: Mr. Chair, thanks, and to the witnesses.

Mr. Bell, I just wanted to clarify something.

Were you not familiar with the Mackenzie gas project? Was it not done through a cooperation plan? The Mackenzie gas project was actually not done through the processes set up under the Mackenzie Valley Resource Management Act, but under a completely separate process. Is that not the case?

Mr. Brendan Bell: That's correct. The emphasis I was trying to provide was that I'm not sure what kind of timeframes we would

have needed to put on it, but at seven years it was far exceeding anything I've heard of.

Thank you.

Mr. Dennis Bevington: Basically, it's not fair to use the Mackenzie gas project as an example of the failure of the Mackenzie Valley Resource Management Act as it is outlined, because that wasn't the process that was followed. I sat on the Mackenzie Valley Environmental Impact Review Board when we did the only gas project that's been done in the Northwest Territories, that would be the K-29, with the pipeline outside of Fort Liard. We did that in just under two years. That was the process that we followed.

Mr. Bleaney, you've talked about the problems with the regulatory system and establishing projects in the north. Could you outline which projects the oil and gas industry has been involved with that deliver product at the end of the day, and that you had problems with?

Mr. Bob Bleaney: The one example that comes to mind is that recently a proponent in the central Mackenzie Valley region made an application to do a drilling project. In the process of going through their review, they decided to refer it, I think, to a full environmental assessment for the drilling of an exploration well. The proponent came to the assessment that it was too challenging to work through that process for the sake of that scale of activity and withdrew from that program. That's my understanding.

That would be an example of where the process challenged the ability to move forward with a project. There's a similar project that subsequently, I think, has gone through without having been asked to go to a full environmental review process.

Mr. Dennis Bevington: Are you talking about the shale fracking project?

Mr. Bob Bleaney: It's an exploration project, I think, in shale, yes.

Mr. Dennis Bevington: Yes.

So, really, you're basing your criticism of the Mackenzie Valley Resource Management Act, and its timeframes and its delivery and its structure, on one or two projects. Is that it?

Mr. Bob Bleaney: These are nascent exploration plays at this point in time, so they're the first of the projects that are trying to be pursued in this particular environment.

Mr. Dennis Bevington: Are you familiar with K-29, the one project that did go to environmental assessment?

Mr. Bob Bleaney: No, I'm not.

Mr. Dennis Bevington: Perhaps you should look at that. We expect that when you come in front of us as a witness, and you're giving testimony that denigrates an act of Parliament, you would be more—

Ms. Joan Crockatt: Mr. Chairman, on a point of order, I would implore the members of the committee to behave with a bit more of a respectful attitude toward our witnesses. They've come a long way to appear before us. We do like to have better parliamentary decorum.

Thank you.

Mr. Dennis Bevington: Can I speak to that?

The Chair: Did you want to apologize, Mr. Bevington?

Mr. Dennis Bevington: No. I wanted to speak to the point of order.

The Chair: Mr. Bevington, I think it's our responsibility when we invite witnesses to respect them and to undertake our responsibilities as parliamentarians in that. It's fine to have a disagreement in terms of position, but to badger or to criticize a witness I think is unparliamentary.

Mr. Dennis Bevington: When you're in front of a—

The Chair: Mr. Bevington, your time is up.

Mr. Dennis Bevington: I don't get a chance to speak to the point of order? Is that what you're saying, Mr. Chair?

The Chair: Yes, that's right.

Mr. Bevington, your time is up.

Mr. Dennis Bevington: Okay, well....

The Chair: We'll go to Mr. Dreeshen.

Mr. Earl Dreeshen (Red Deer, CPC): Thank you very much, Mr. Chair.

It's certainly an honour for me to return to the aboriginal affairs and northern development committee. I served here a number of years ago. We had an opportunity to go into the territories to look at some of the barriers to development in the north when we did a study there, and of course we had a chance to speak with a lot of different aboriginal leaders.

In regard to one of the things in the deck that was given out, page 8 shows that we have 57 new aboriginal companies that have been created in the last 15 years. I think one of the things that we want to talk about are the opportunities that exist, not only for the large mining companies and for oil and gas exploration but also for local individual groups throughout the north. I know that I certainly appreciated that, and in some of the discussions we had with individuals, I met some amazing aboriginals that...quite frankly, when I came back down to the south, I said that if you want to find some CEOs to run your companies, those are the people, because they understand the types of things that are needed. I'm sure that many of them are working in these 57 companies that we've spoken of here.

My background is in education. One of the key aspects is the training. It's the aspect that is significant there. I know that various companies have looked at different training models. That's one of the issues I want to talk about. Also, earlier, Mr. Regan mentioned the size of the Northwest Territories. When my family came, the Northwest Territories was much larger. That was in 1903, so area-wise there are some changes that have taken place.

I'd like to acknowledge the contributions of the Canadian Association of Petroleum Producers to regulatory improvement, including those we studied when we looked at Neil McCrank's study of regulatory regimes in the north. In CAPP's submission to Mr. McCrank, it suggested that the boards in the Mackenzie Valley be consolidated, which is, as you know, a feature of this bill.

Could you speak to how this proposed approach, along with others such as the time limits, can enhance the investment climate in the Northwest Territories?

• (1640)

Mr. Bob Bleaney: As I mentioned in my talk, we look at the opportunity for increased certainty in the process as a real positive step.

On the consolidation of the boards—and some of our projects in the past have been linear projects and things like that, which cover more than one region—you can see that a larger board would have more consistency in being able to approach that kind of an opportunity. Also, by virtue of the timelines themselves, it adds more certainty to when a decision can come forward.

Those two things in themselves offer I think a step in the right direction towards having a greater sense of confidence in the process.

Mr. Earl Dreeshen: Thank you.

Of course, being new, I haven't had a chance to go through Bill C-15 in as much detail. However, when we were there, we did talk to folks from the Yukon. Many modern and efficient regulatory systems and settled land claims have resulted in tremendous success in the Yukon since 2003.

Also, of course, there's a wealth of oil and gas deposits in the Northwest Territories. I was just wondering what your level of confidence is in the potential of Bill C-15 to unlock the Northwest Territories' petroleum resources.

Mr. Bob Bleaney: That's speculating a little bit on the economic opportunity. That has to be evaluated. We have to evaluate it through the process of exploration to determine the quality of the resource and then assess the overall cost structure to come to terms with its overall viability. It would be a little bit premature to predict how much of that will come to fruition in the near term.

Certainly the first step in the process is to support the exploration phase, to facilitate the timely programming going on to do the evaluation work. That is the first step, particularly in the current work in the Mackenzie Valley.

So to the extent that the processes that are put forward to do the reviews of those projects as they come forward are well defined, timely, and thorough, with defined outcomes for timelines, I think that's all very positive to support the exploration activity.

The Chair: Thank you, Mr. Dreeshen.

I want to thank our witnesses for coming. We know that you have busy lives and important things to be doing, so we appreciate that you took the time to spend part of the afternoon with us. We know that you travelled to be here, and we certainly appreciate that.

Colleagues, we'll suspend for a moment and go into committee business when we return.

[Proceedings continue in camera]

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