



Arctic Development
Library

***The Presentation Of The Government Of The
N.w.t. To The Special Committee Of The
Senate On Northern Pipelines
Date of Report: 1982
Author: G.n.w.t. - Energy And Resource
Development Secretariat
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EXECUTIVE SUMMARY

1. THE GOVERNMENT OF THE NWT IS COMMITTED TO THE DEVELOPMENT OF SELF-GOVERNMENT FOR THE NWT, THE GOVERNMENT IS SEEKING INCREASED RESPONSIBILITY FOR AND PARTICIPATION IN RESOURCE DEVELOPMENT Decisions

2. THE GOVERNMENT OF THE NWT HAS RESPONDED TO THE ISSUES OF RESOURCE DEVELOPMENT,
 - A) A GNWT POLICY ON RESOURCE DEVELOPMENT IS BEING DEVELOPED, THIS POLICY WILL IDENTIFY THE MAJOR PRINCIPLES OF THE GNWT AND WILL SET OUT WHAT ACTIONS THE GNWT WILL TAKE TO ENSURE THESE ARE FOLLOWED, THE GNWT WILL CONTINUE TO ASSUME THE LEAD ROLE IN THE DEVELOPMENT OF SOCIO-ECONOMIC ACTION PLANS,

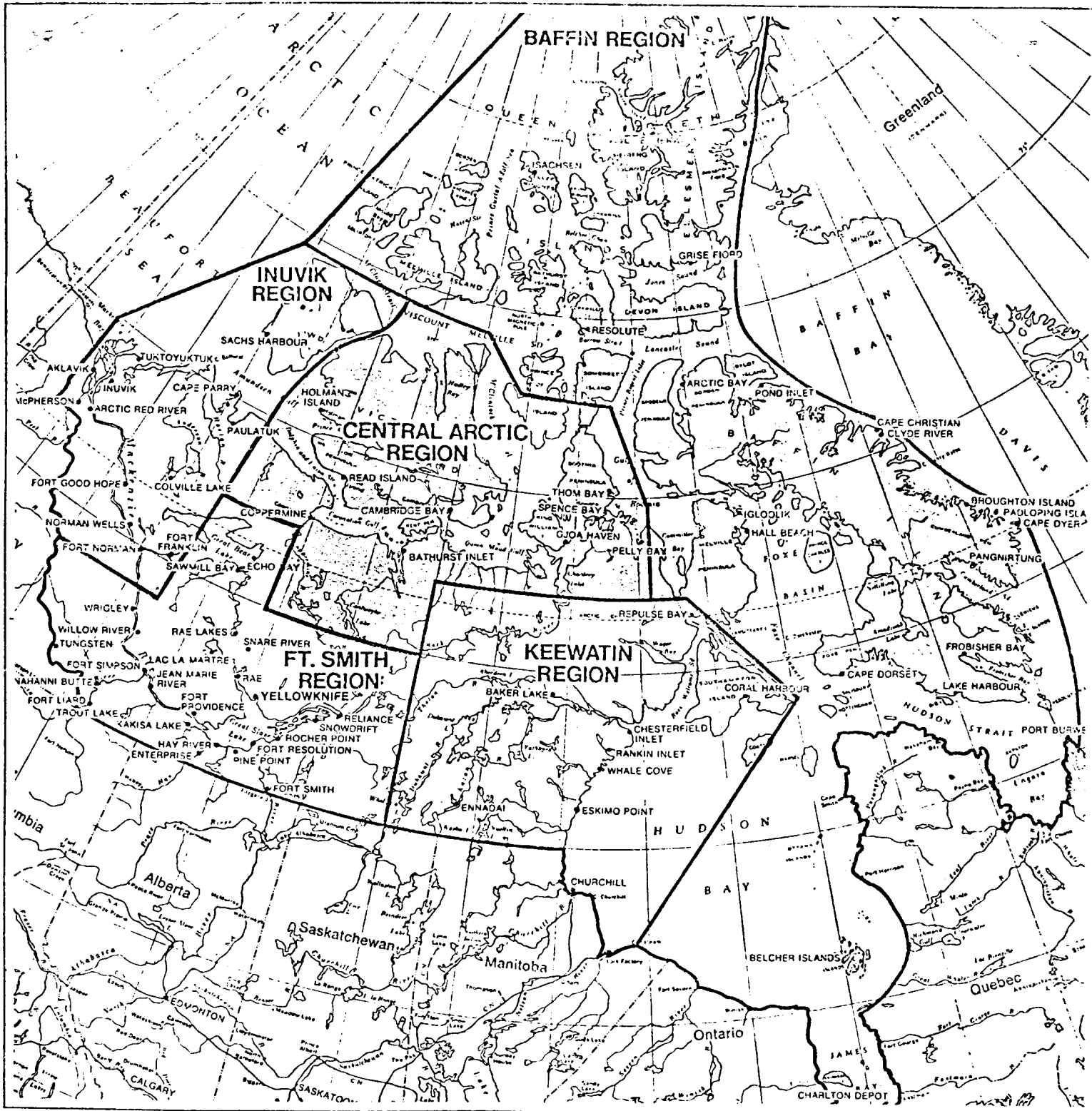
 - B) AN ENERGY AND RESOURCE DEVELOPMENT SECRETARIAT HAS BEEN FORMED TO SUPPORT THE EXECUTIVE COMMITTEE, RESOURCE DEVELOPMENT OFFICERS HAVE BEEN ASSIGNED TO REGIONS, AN ENVIRONMENTAL PLANNING AND ASSESSMENT Division HAS FORMED WITHIN THE DEPARTMENT OF RENEWABLE RESOURCES,

 - c) THE GNWT HAS MANY PROGRAMS DESIGNED TO PROVIDE VOCATIONAL TRAINING, RECOGNITION OF THE NEEDS OF THE NWT AND ACCESS TO FINANCIAL RESOURCES ARE ESSENTIAL FOR MAXIMUM NORTHERN PARTICIPATION IN THE JOBS ASSOCIATED WITH RESOURCE DEVELOPMENT,

- D) THE **DEPARTMENT** OF RENEWABLE RESOURCES IS DEVELOPING A COMPENSATION **POLICY.**
- E) ACCESS TO RESOURCE REVENUES WILL BE A SUBJECT OF FEDERAL- TERRITORIAL DISCUSSIONS,
- F) THE GNWT SEEKS ENERGY BENEFITS FROM ENERGY PRODUCING PROJECTS,
3. THE GNWT IS COMMITTED TO FULL PARTICIPATION IN SIGNIFICANT DECISION MAKING PROCESSES, INCREASED PARTICIPATION IN THE **COGLA** DECISION MAKING PROCESS IS **SOUGHT.** THE GNWT ASSUMES THE LEAD ROLE IN **SOCIO-ECONOMIC** MATTERS REGARDLESS OF THE INTENTIONS OF **FEDERAL** OFFICIALS,
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OUTLINE

1. THE CONCERNS OF THE GOVERNMENT OF THE NWT
2. THE RESPONSE OF THE GOVERNMENT OF THE NWT TO RESOURCE DEVELOPMENT
 - 2.1 POLICY INITIATIVES AND PLANS
 - 2.2 SPECIFIC EXAMPLES OF GOVERNMENT OF THE NWT DIRECTIONS
 - 2.2.1 VOCATIONAL TRAINING
 - 2.2.2 RENEWABLE RESOURCES - COMPENSATION POLICY
 - 2.2.3 RESOURCE REVENUES
 - 2.2.4 ENERGY BENEFITS
3. DECISION MAKING - GOVERNMENT OF THE NWT PERSPECTIVES
4. CONCLUSIONS



The Northwest Territories Administrative Regions

LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

Mr. Moses Appaqaq, M.L.A.
Hudson Bay

Mr. Joe Arlooktoo, M.L.A.
Baffin South

The Hon. George Braden, M.L.A.
Leader of the Elected Executive and
Minister of Justice and Public Services,
Yellowknife North

The Hon. Thomas H. Butters, M.L.A.,
Minister of Finance and of Economic
Development and Tourism
Inuvik

Mr. Tagak Curley, M.L.A.,
Keewatin South

Ms. Nellie Cournoyea, M.L.A.,
Western Arctic

Mr. Mark Evaluarjuk, M.L.A.
Foxe Basin

Mr. Peter Fraser, M.L.A.,
Mackenzie Great Bear

Mr. Ipeelee Kilabuk, M.L.A.,
Baffin Central

The Hon. Arnold McCallum, M.L.A.
Minister of Health and of
Social Services,
Slave River

Mr. Robert MacQuarrie, M.L.A.,
Yellowknife Centre

Mr. Bruce McLaughlin, M.L.A.,
Pine Point

The Hon. Richard Nerysoo, M.L.A.,
Minister of Renewable Resources and
of Energy and Resource Development
Mackenzie Delta

Mr. William Noah, **M.L.A.**
Keewatin North

The Hon. Dennis Patterson, M. L. A. ,
Minister of Education,
Frobisher Bay

Mr. Ludy **Pudluk**, M. L. A. ,
High Arctic

Mr. Robert Sayine, M. L. A. ,
Great Slave East

Mr. Nick **Sibbeston**, M. L. A. ,
Mackenzie **Liard**

Ms. Lynda Sorensen, M. L. A. ,
Yellowknife South

The Hon. Donald Stewart, M. L. A. ,
Speaker for the Assembly,
Hay River

The Hon. Kane **Tologanak**, M. L. A. ,
Minister of Government Services
Central Arctic

The Hon. James Wah-Shee, M. L. A. ,
Minister of Local Government and of
Aboriginal Rights & Constitutional Development,
Rae-Lac La Martre

1. THE CONCERNS OF THE GOVERNMENT OF THE N.W.T.

I AM AWARE THAT THIS SENATE COMMITTEE HAS ALREADY LISTENED TO PRESENTATIONS FROM INDUSTRY, FROM SPECIAL INTEREST GROUPS AND FROM THE FEDERAL GOVERNMENT, PERHAPS YOU HAVE THE IMPRESSION THAT THE ROLE OF THE GNWT IS VERY LIMITED OR THAT OUR INTERESTS ARE ADEQUATELY REPRESENTED, IN FEBRUARY, DURING THE OPENING SPEECH OF THE COMMISSIONER AT THE LEGISLATIVE ASSEMBLY, WE WERE REMINDED

"FOR SEVERAL YEARS, THE NORTHWEST TERRITORIES HAS BEEN CONFRONTED WITH INCREASED OUTSIDE PRESSURES FOR DEVELOPMENT OF ITS NON-RENEWABLE RESOURCES, CONSTRAINTS TO THE FISCAL CAPACITY OF GOVERNMENT TO CARRY OUT PROGRAMS AND SERVICES, AND CONSTITUTIONAL AND POLITICAL DEVELOPMENT ISSUES OF INCREASING COMPLEXITY, THROUGH OFTEN VERY FRUSTRATING CIRCUMSTANCES, YOUR MINISTERS HAVE STRIVEN TO SAFEGUARD THE INTERESTS OF THE PEOPLE OF THE NWT AND TO SEARCH OUT AND TAKE ADVANTAGE OF NEW OPPORTUNITIES TO PROMOTE THE DEVELOPMENT OF INCREASED SELF-GOVERNMENT AND GREATER ECONOMIC SELF-SUFFICIENCY IN THE NORTH".

I SPEAK TO YOU TODAY AS THE MINISTER RESPONSIBLE FOR ENERGY AND RESOURCE DEVELOPMENT, AS ONE OF SEVEN ELECTED MEMBERS OF THE EXECUTIVE COMMITTEE AND AS ONE OF 22 ELECTED MEMBERS OF

THE LEGISLATIVE ASSEMBLY, I HAVE INCLUDED A BRIEF SUMMARY OF MAJOR ACHIEVEMENTS IN OUR POLITICAL DEVELOPMENT SO THAT THIS SENATE COMMITTEE CAN BE AWARE OF OUR PROGRESS TOWARD SELF-GOVERNMENT,

THE GOVERNMENT OF THE N.W.T. REPRESENTS THE INTERESTS AND CONCERNS OF ITS CITIZENS ABOUT RESOURCE DEVELOPMENT ACTIVITIES, IN THE MIDST OF FINANCIAL RESTRAINTS AND LEGISLATIVE LIMITATIONS, THE GOVERNMENT OF THE N.W.T. IS SEEKING INCREASING PARTICIPATION IN AND RESPONSIBILITY FOR RESOURCE DEVELOPMENT DECISIONS,

I WANT TO DRAW YOUR ATTENTION TO ANOTHER ITEM - THE 1981 ANNUAL REPORT OF THE GNWT. THIS MAY HELP YOU TO BECOME BETTER ACQUAINTED WITH THE ROLES AND RESPONSIBILITIES OF THE TERRITORIAL GOVERNMENT, PRESENTLY ALMOST 3000 PEOPLE ARE EMPLOYED BY THE GOVERNMENT AND MORE THAN A THIRD OF OUR EMPLOYEES ARE NATIVE NORTHERNERS,

THE PRIORITIES OF THE GOVERNMENT

RECENTLY MY COLLEAGUES ON THE PLANNING AND PRIORITIES COMMITTEE FOR THE EXECUTIVE ESTABLISHED PRIORITIES ENCOMPASSING ALL THE GNWT ACTIVITIES, THESE PRIORITIES ARE BEING FURTHER DEFINED INTO STRATEGY ELEMENTS AND OBJECTIVES FOR GOVERNMENT AND WILL THEN ACT AS GUIDELINES FOR THE DECISIONS OF SENIOR MANAGERS,

THESE PRIORITIES ARE OUTLINED AS FOLLOWS:

REVIVAL OF NATIVE LANGUAGES AND PRESERVATION OF NORTHERN
 " CULTURE

OFFICIAL RECOGNITION AND SUPPORT FOR INDIVIDUAL AND COMMUNITY
 DESIRES TO REVITALIZE NATIVE LANGUAGES AND PROMOTE TRADITIONAL
 AND CONTEMPORARY FORMS OF CULTURE UNIQUE TO THE NWT,

. CONSTITUTIONAL AND POLITICAL DEVELOPMENT

DEVELOPMENT OF A CONSENSUS ON THE FORM AND STYLE OF FUTURE
 GOVERNMENT IN THE NWT THAT WILL ENSURE THE ESTABLISHMENT
 AND PROTECTION OF ABORIGINAL RIGHTS AND THE INCREASED
 POLITICAL AUTONOMY OF ALL PEOPLE AND THEIR GOVERNMENT IN
 THE NWT,

. EDUCATION

A CONSIDERED RESPONSE TO THE RECOMMENDATIONS OF THE SPECIAL
 COMMITTEE ON EDUCATION

. ENERGY

ENCOURAGEMENT OF ENERGY CONSERVATION PRACTICES AND BALANCE
 IN THE DEVELOPMENT OF AN EFFICIENT ENERGY SYSTEM WHICH
 OPTIMIZES THE UTILIZATION OF EXISTING ENERGY SOURCES.

• INDIVIDUAL AND COMMUNITY WELL-BEING

PRESERVATION AND ENHANCEMENT OF QUALITY OF LIFE IN NORTHERN
 Communities

. HOUSING

TO ENABLE NWT RESIDENTS TO OBTAIN ADEQUATE AND EFFICIENT HOUSING FOR THEMSELVES IN A MANNER AND STYLE IN KEEPING WITH THEIR NEEDS AND DESIRES,

. COST OF LIVING

ASSISTANCE TO NORTHERN RESIDENTS IN COPING WITH THE HIGH COST OF LIVING,

• IMPROVED GOVERNMENT PERFORMANCE AND PUBLIC ACCOUNTABILITY

CONTINUED DEVELOPMENT AND REFINEMENT OF GOVERNMENT PRACTICES AND INFORMATION SYSTEMS IN KEEPING WITH THE DEVELOPMENT OF THE NWT TOWARDS RESPONSIBLE GOVERNMENT AND THE NEED TO ACCOUNT TO THE PUBLIC AND TO THE LEGISLATIVE ASSEMBLY ON THE ACTIVITIES OF Government


. RESOURCE DEVELOPMENT-

BALANCED DEVELOPMENT OF RENEWABLE AND NON-RENEWABLE RESOURCES, ENSURING THAT BENEFITS FROM DEVELOPMENT ACCRUE IN THE NWT IN THE FORM OF GAINFUL EMPLOYMENT AND REVENUES WHILE PRESERVING THE NATURAL AND SOCIAL ENVIRONMENT FOR PRESENT AND FUTURE GENERATIONS,

20TH CENTURY POLITICAL HISTORY IN THE NWT

- 1898 Yukon created as separate territory.
- 1905 Alberta and Saskatchewan created; rest of territories become the NWT with a Commissioner, a Deputy Commissioner and appointed Council of 4 members; seat of government is Ottawa (Council not as yet appointed).
- 1905-1918** Commissioner of the RCMP was also Commissioner of the NWT.
- 1921-1947 Council composed entirely of senior government officials, based in Ottawa.
- 1918-1963 Position of Commissioner is held by Deputy Minister of the Department of the Interior and its successor departments.
- 1946 First territorial resident to be appointed to the Council.
- 1951 First amendments to the NWT Act since 1905: Council to have 8 members (3 elected from Mackenzie District and 5 appointed). Council to have at least two annual sessions, at least one in the NWT.
- 1952-1954 Consolidation of NWT Act including amendments:
- Council to have 9 members (4 elected, 5 appointed);
 - Council could authorize Commissioner to make agreements with the Federal Government;
 - Control over some public lands given to the Commissioner;
 - Major parts of NWT Act dealing with provincial-type matters were repealed so that they could be replaced with Territorial Ordinances.
- 1960 Three of five appointed Councillors chosen from across Canada (from the private sector).
- 1962 Federal Government makes provision for member of House of Commons from NWT
- 1964 Commissioner of the NWT becomes full-time job, offices in Ottawa opened.
- 1966 Amendments to NWT Act:
- 12 members on Council (seven elected, including three from Keewatin and Eastern and High Arctic and five appointed).

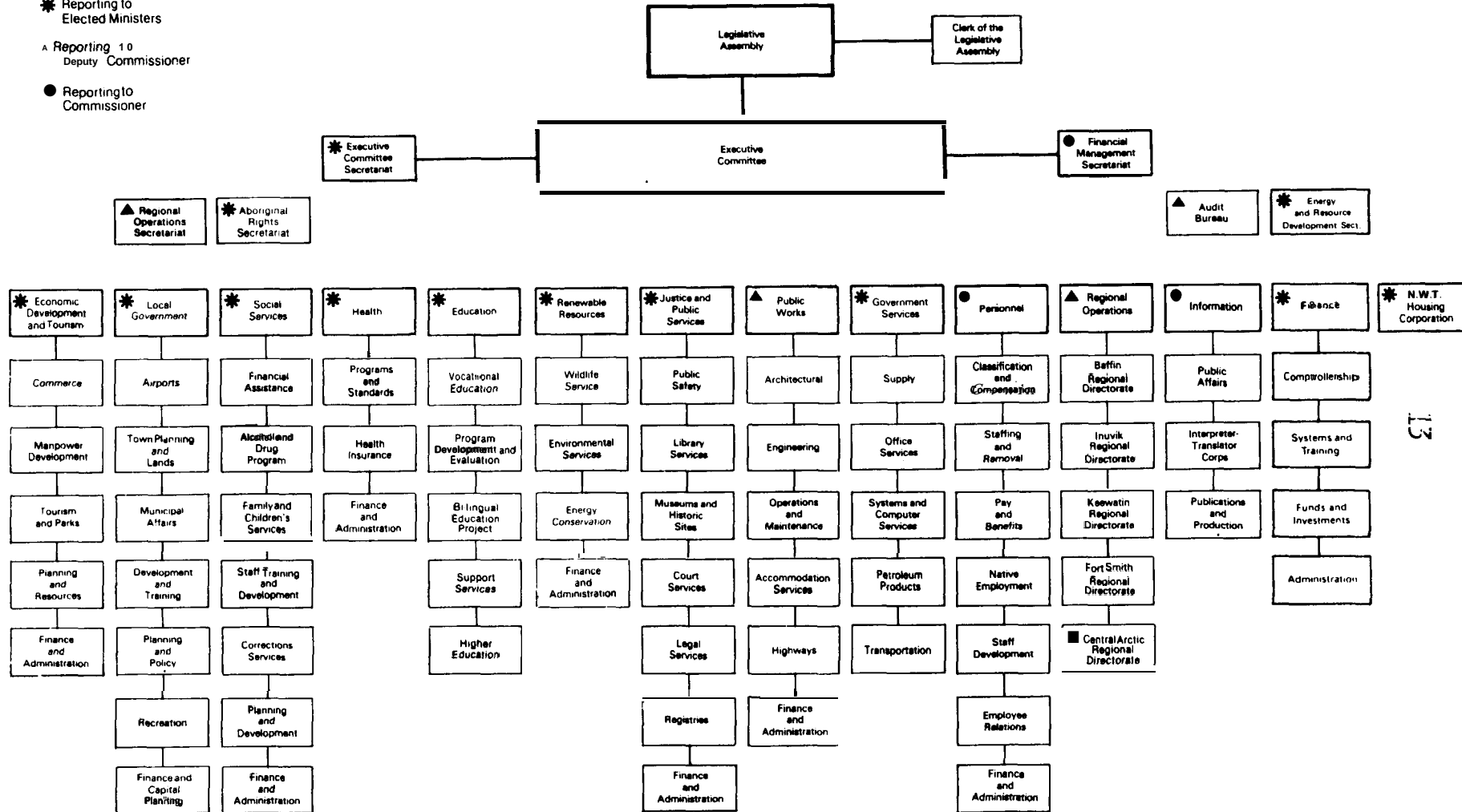
- 1967 Yellowknife becomes seat of Government of the NWT.
- 1969 Major provincial-type federally administered programs in the Mackenzie District transferred to Territorial administration.
- 1970 Same programs for Keewatin and Eastern Arctic transferred to federal administration:
- Council appoints Standing Committee on Finance;
 - Amendments to the NWT Act:
 - Size of Council increased (10 elected, 4 appointed).
 - Federal power of disallowance decreased to one year limit.
 - Commissioner in Council given power to appoint Magistrates and Justices of the Peace in the NWT;
 - Council can determine indemnities and expense allowances of its own members;
 - The term of office of each Council increased from three to four years.
- 1974 Size of Territorial Council increased to 15 members (all elected).
- 1975 First time a fully elected Council sits (**15** members). Election of Council's first Speaker (**David Searle**). Two elected members joint Executive Committee.
- 1976 Third elected member added to Executive Committee.
- 1979 Amendment to NWT Act allows Commissioner in Council to establish number of seats in Council within the 15-25 range. Amendment to NWT Council Ordinance to establish "in writing" the Executive Committee.
- 1982** 22 elected Members of the Legislative Assembly
7 elected Executive Committee Members

 Government of the Northwest Territories
Organizational Structure

* Reporting to Elected Ministers

A Reporting to Deputy Commissioner

● Reporting to Commissioner



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2. THE RESPONSE OF THE GNWT TO RESOURCE DEVELOPMENT

OVER THE LAST YEAR, THE EXECUTIVE COMMITTEE HAS INITIATED MAJOR ACTIVITIES IN SEVERAL AREAS SO THAT THE GNWT CAN MORE EFFECTIVELY REPRESENT AND RESPOND TO THE CONCERNS OF NWT CITIZENS ABOUT RESOURCE DEVELOPMENT,

2.1 POLICY INITIATIVES

ONE OF THE TASKS THE EXECUTIVE COMMITTEE HAS UNDERTAKEN IS THE PREPARATION OF A POLICY STATEMENT ON RESOURCE DEVELOPMENT. THIS POLICY WILL INCLUDE A PROVISION FOR GNWT ASSESSMENT AND REVIEW OF RESOURCE DEVELOPMENT PROPOSALS, THERE WILL ALSO BE A COMMITMENT TO SUPPORT REGIONAL PLANNING INITIATIVES THAT WILL INVOLVE EXTENSIVE PUBLIC PARTICIPATION, MONITORING ACTIVITIES WILL BE EXPANDED, BASICALLY, WHAT WE ARE PROPOSING IS THAT THE GNWT WILL SUPPORT A RESOURCE DEVELOPMENT PROJECT WHEN ITS OVERALL SOCIAL, ECONOMIC AND ENVIRONMENTAL IMPLICATIONS ARE JUDGED TO RESULT IN NET BENEFIT TO THE PEOPLE OF THE NWT,

THE FOLLOWING PRINCIPLES ARE BEING CONSIDERED FOR USE IN GNWT EVALUATION OF IMPLICATIONS OF RESOURCE DEVELOPMENT PROJECTS:

. OPPORTUNITIES FOR JOBS, TRAINING, AND BUSINESS DEVELOPMENT SHOULD BE MAXIMIZED,

- THE COMMUNITIES OF THE NWT SHOULD DERIVE ENERGY BENEFITS FROM ENERGY PRODUCING PROJECTS,
- THE GOVERNMENT OF THE NWT SHOULD RECEIVE AN EQUITABLE SHARE OF THE RESOURCE REVENUES,
- THE ENVIRONMENT AND RENEWABLE RESOURCE ACTIVITIES SHOULD BE Protected
- NORTHERN LIFESTYLES AND CULTURAL HERITAGE SHOULD BE PROTECTED,
- LOCAL COMMUNITIES AND INTEREST GROUPS SHOULD PARTICIPATE IN CONSULTATION PROGRAMS,
- ABORIGINAL CLAIMS NEGOTIATIONS SHOULD NOT BE PREJUDICED,
- SOCIAL DISRUPTION WILL BE ADDRESSED AND COSTS ASSIGNED.

OUR PURPOSE BEHIND THIS STATEMENT AND THE PRINCIPLES IS CLEAR, WE WANT TO ENSURE THAT RESOURCE DEVELOPMENT ACTIVITIES SATISFY TERRITORIAL SOCIO-ECONOMIC CONCERNS, UNDER ONE PROPOSED SYSTEM, THE PROPONENT OF A RESOURCE DEVELOPMENT PROJECT WOULD BE REQUIRED TO OBTAIN A DEVELOPMENT CERTIFICATE UPON AGREEING TO SOCIO-ECONOMIC TERMS AND CONDITIONS SATISFACTORY TO THE EXECUTIVE COMMITTEE, THE GNWT RECOGNIZES THAT THE FEDERAL GOVERNMENT HAS THE ULTIMATE AUTHORITY FOR PROJECT APPROVAL, THE NWT ACT GIVES THE GNWT RESPONSIBILITY FOR THE SOCIO-ECONOMIC FACTORS, IT IS OUR INTENTION TO STRENGTHEN THIS MANDATE BY DEVELOPING LEGISLATION FOR THE GNWT ASSESSMENT AND REVIEW PROCESSES,

FROM THE NORTHWEST TERRITORIES ACT

Legislative Powers of Commissioner in Council

13. The Commissioner in Council may, subject to this Act and any other Act of the Parliament of Canada, make ordinances for the government of the Territories in relation to the following classes of subjects, namely:
- (a) direct taxation within the Territories in order to raise a revenue for territorial, municipal or local purposes;
 - (b) the establishment and tenure of territorial offices and the appointment and payment of territorial officers;
 - (c) municipal institutions in the Territories, including local administrative districts, school districts, local improvement districts, and irrigation districts;
 - (d) controverted elections;
 - (e) the licensing of any business, trade, calling, industry, employment or occupation in order to raise a revenue for territorial, municipal or local purposes;
 - (f) the incorporation of companies with-territorial objects, including tramways and street railway companies but excluding railway, steamship, air transport, canal, telegraph, telephone or irrigation companies;
 - (g) the solemnization of marriage in the Territories;
 - (h) property and civil rights in the Territories;
 - (i) the administration of justice in the Territories including the constitution, maintenance and organization of territorial courts, both of civil and of criminal jurisdiction, and including procedure in civil matters in those courts;
 - (j) the establishment, maintenance and management of prisons, gaols or lock-up designated as such by the Commissioner in Council under paragraph 44(1)(b), the duties and conduct of persons employed therein or otherwise charged with the custody of prisoners, and all matters pertaining to the maintenance, discipline or conduct of prisoners including their employment outside as well as within any such prison, gaol or lock-up;
 - (k) to (n) Repealed R.S.C. 1970 (1st Supp) c. 48, s.17;
 - (o) the issuing of licenses or permits to scientists or explorers to enter the Territories or any part thereof and the prescription of the conditions under which such licenses or permits may be issued and used;
 - (p) the levying of a tax upon furs or any portions of fur-bearing animals to be shipped or taken from the Territories to any place outside the Territories;
 - (q) the preservation of game in the Territories;

- (r) education in the Territories, subject to the conditions that any ordinance respecting education shall always provide that a majority of the ratepayers of any district or portion of the Territories, or of any less portion or subdivision thereof, by whatever name it is known, may establish such schools therein as they think fit, and make the necessary assessment and collection of rates therefor, and also that the minority of the ratepayers therein, whether Protestant or Roman Catholic, may establish separate schools therein, and in such case, the ratepayers establishing such Protestant or Roman Catholic separate schools shall be liable only to assessments of such rates as they impose upon themselves in respect thereof;
- (s) the closing up, varying, opening, establishing, building, management or control of any roads, streets, lanes or trails on public lands;
- (t) intoxicants;
- (u) the establishment, maintenance and management of hospitals in and for the Territories;
- (v) agriculture;
- (w) the expenditure of money for territorial purposes;
- (x) generally, all matters of a merely local or private nature in the Territories;
- (y) the imposition of fines, penalties, imprisonment or other punishments in respect of the violation of the provisions of any ordinance; and,
- (z) such other matters as are from time to time designated by the Governor in Council.

SOCIO-ECONOMIC ACTION PLANS

MY COLLEAGUE, **MR. TOM BUTTERS**, **MINISTER** OF ECONOMIC DEVELOPMENT AND TOURISM DEVELOPS AND SIGNS **SOCIO-ECONOMIC ACTION PLANS** WITH THE MAJOR DEVELOPERS IN THE **NWT**. THE INTENT OF THESE AGREEMENTS IS TO OUTLINE AND IDENTIFY THE ACTIVITIES AND PROGRAMS OF THE RESOURCE DEVELOPERS THAT ARE USED TO MAXIMIZE NORTHERN BENEFITS, SOME OF THE TOPICS COVERED IN THESE PLANS ARE:

- A) COMMUNITY LIAISON AND CONSULTATION
- B) NORTHERN EMPLOYMENT
- C) BUSINESS DEVELOPMENT
- D) NORTHERN TRAINING
- E) SOCIAL AND CULTURAL MATTERS

THE GNWT, THROUGH THE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM TAKES THE LEAD ROLE IN DETERMINING THESE AGREEMENTS, THESE AGREEMENTS FORM THE BASIS FOR MONITORING INDUSTRY'S PERFORMANCE, I INTEND TO ELABORATE FURTHER ON OUR CONCERNS WITH DIAND'S INVOLVEMENT WITH SOCIO-ECONOMIC ACTION PLANS IN A LATER SECTION OF THE PRESENTATION,

THE ENERGY AND RESOURCE DEVELOPMENT SECRETARIAT

THE EXECUTIVE COMMITTEE IS SUPPORTED BY AN **ENERGY** AND **RESOURCE DEVELOPMENT** SECRETARIAT, THE SECRETARIAT WAS ESTABLISHED LAST FALL AND CONSISTS OF **8** POSITIONS, INCLUDING AN **ENERGY ADVISOR**, **REGIONAL PLANNING ADVISOR**,

SOCIO-ECONOMIC ADVISOR, **MINERALS** ADVISOR AND **RESOURCE**
ECONOMIST, MR. ZARIWNY IS THE SECRETARY FOR THE **ENERGY**
 AND **RESOURCE DEVELOPMENT** SECRETARIAT, THE TERMS OF
 REFERENCE FOR THIS GROUP INCLUDE SUCH TASKS AS:

THE COORDINATION AND PREPARATION OF GOVERNMENT POSITION
 STATEMENTS FOR FEDERAL REGULATORY PROCESSES;
 THE DEVELOPMENT OF POLICY AND LEGISLATION FOR ENERGY
 AND RESOURCE DEVELOPMENT ISSUES;
 TO SEEK DEVOLUTION OF RESOURCE DEVELOPMENT RESPONSIB-
 ILITIES FROM THE FEDERAL GOVERNMENT,

TO DATE, THE MAJOR ACTIVITIES OF THE SECRETARIAT HAVE
 INCLUDED:

- PARTICIPATION IN THE NATIONAL ENERGY BOARD HEARINGS
 ON THE ARCTIC PILOT PROJECT;
- COMPLETION OF THE NORMAN WELLS FUNDING ARRANGEMENTS
 WITH THE DENE NATION, METIS ASSOCIATION AND THE FEDERAL
 GOVERNMENT;
- COMPLETION OF A GNWT ENERGY STRATEGY REPORT;
- WORK ON RESOURCE REVENUE OPTIONS;
- COORDINATION OF GNWT INVOLVEMENT IN THE BEAUFORT SEA
 ENVIRONMENTAL ASSESSMENT AND REVIEW PROCESS, AND IN
 THE ACTIVITIES OF THE BEAUFORT SEA OFFICE,

RESOURCE DEVELOPMENT OFFICERS

AT THE REGIONAL LEVEL, ADDITIONAL MANYEARS HAVE BEEN
 PROVIDED FOR PARTICIPATION IN THE PLANNING AND DECISION

MAKING PROCESSES FOR RESOURCE DEVELOPMENT ISSUES, THE **INUVIK** REGION AND THE FORT SMITH **REGION** SHOULD SOON BE HIRING NEW STAFF IN THESE POSITIONS,

ENVIRONMENTAL PLANNING AND ASSESSMENT DIVISION

As MINISTER OF RENEWABLE RESOURCES, I HAVE ESTABLISHED THE ENVIRONMENTAL PLANNING AND ASSESSMENT DIVISION, THE OBJECTIVES OF THIS DIVISION INCLUDE ASSESSMENT OF ENVIRONMENTAL AND LAND USE IMPLICATIONS OF RESOURCE DEVELOPMENT, EFFECTIVE REPRESENTATION OF DEPARTMENTAL CONCERNS IN REGULATORY HEARINGS AND COORDINATION OF **MONITORING ACTIVITIES, 5 MANYEARS HAVE BEEN ALLOCATED** TO THIS DIVISION,

CONCLUSION

YOU CAN SEE THAT WE HAVE INCREASED OUR CAPACITY AND CAPABILITY TO RESPOND TO ISSUES IN A FEW HIGH PRIORITY AREAS , THERE IS OBVIOUSLY MUCH STILL TO BE DONE, ONE EXERCISE, COMPLETED SEVERAL MONTHS AGO, ESTIMATED THAT GNWT pLANNING Activities (NOT PROGRAM ACTIVITY) FOR HYDROCARBON DEVELOPMENT COULD COST \$273 MILLION OVER 5 YEARS. THIS DOES NOT BEGIN TO TAKE INTO ACCOUNT THE ADDITIONAL DOLLARS AND PEOPLE REQUIRED FOR THE INCREASED PROGRAM ACTIVITY, AND INCREASED INFRASTRUCTURE NEEDS AS A RESULT OF RESOURCE DEVELOPMENT, IDENTIFYING AND PROJECTING THESE COSTS FOR THE CONSIDERATION OF THE FEDERAL GOVERNMENT DOES NOT GUARANTEE THE ALLOCATION OF FUNDS, SOME NWT COMMUNITIES ARE DAILY WITNESSES TO THE HUGE LEVELS OF INVESTMENT AND FAST DECISION MAKING OF THE PRIVATE SECTOR, THE ABILITY OF GOVERNMENT TO RESPOND IS IN SHARP CONTRAST TO THIS FAST AND FURIOUS PACE. •

2, 2 SPECIFIC EXAMPLES OF "GOVERNMENT OF THE NWT DIRECTIONS

THERE ARE SEVERAL SPECIFIC EXAMPLES OF PROGRAM ACTIVITIES THAT I BELIEVE WILL ASSIST THE SENATE COMMITTEE TO UNDERSTAND THE ROLE **AND** CONCERNS OF THE **GNWT** IN RESOURCE DEVELOPMENT,

2.2.1 VOCATIONAL TRAINING

OPPORTUNITIES FOR JOBS AND TRAINING ARE A VERY VISIBLE BENEFIT OF RESOURCE DEVELOPMENT, **M**ANY PROGRAMS OF THE GNWT ARE DESIGNED TO PREPARE THE NWT WORK FORCE TO TAKE ADVANTAGE OF THESE OPPOR- TUNITIES,

THE DEPARTMENT OF EDUCATION PROVIDES BUSINESS, TECHNICAL AND VOCATIONAL TRAINING OPPORTUNITIES FOR NORTHERN RESIDENTS, EITHER ON CAMPUS AT THE THEBACHE COLLEGE IN FORT SMITH, OR THROUGH EXTENSION COURSES OFFERED IN ANY NWT COMMUNITY, WHICH HAS THE REQUIRED INSTRUCTIONAL AND ACCOMMODATION FACILITIES, **O**N " CAMPUS UPGRADING COURSES ARE OFFERED AS WELL AS FOR THOSE STUDENTS WHO REQUIRE UPGRADING BEFORE BEING ABLE TO ENTER A VOCATIONAL TRAINING PROGRAM THE DEMAND FOR THESE COURSES IS INCREASING AND A NEED IS ANTICIPATED FOR ADDITIONAL CAMPUSES IN **B**O' H THE EASTERN AND **W**ESTERN ARCTIC,

A BUSINESS ADMINISTRATION PROGRAM HAS BEEN RECENTLY IMPLEMENTED IN FORT SMITH. VOCATIONAL PROGRAMS ARE SOON TO BE OFFERED IN THE HIGH SCHOOL IN INUVIK. THE DEPARTMENT OF EDUCATION ALSO OFFERS CONTINUING EDUCATION PROGRAMS TO PROVIDE THE ADULT EDUCATION PROGRAMS SUCH AS BASIC LITERACY, UPGRADING, BASIC TRAINING FOR SKILL DEVELOPMENT AND LIFESKILLS PROGRAMS,

THE MANPOWER DEVELOPMENT DIVISION IN THE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM IS RESPONSIBLE FOR MANPOWER COUNSELING AND IDENTIFYING AND SECURING EMPLOYMENT AND TRAINING OPPORTUNITIES FOR NORTHERNERS. IT IS ALSO RESPONSIBLE FOR MANAGING THE APPRENTICESHIP PROGRAM, TRAINING-ON-THE-JOB PROGRAM, SUBSIDIZED TERM EMPLOYMENT PROGRAM, LABOUR POOLS, JOB ROTATIONS, JOB RELOCATIONS, CAREERS PROGRAM, AND THE TERRITORIAL EMPLOYMENT RECORD INFORMATION SYSTEM,

THERE ARE SEVERAL RECOMMENDATIONS FROM THE GNWT PERSPECTIVE, CONCERNING VOCATIONAL TRAINING,

1. THE NWT LABOUR FORCE NEEDS BASIC SKILL DEVELOPMENT PROGRAMS. THE CANADA EMPLOYMENT AND IMMIGRATION COMMISSION HAS PRIORIZED THE NATIONAL NEED FOR TRAINING IN SKILLS FOR THE HIGH TECHNOLOGY AND THE COMPUTER INDUSTRIES! REGIONAL NEEDS SHOULD BE RECOGNIZED IN ANY ALLOCATION OF FUNDS.

2, THE DEVELOPMENT AND IMPLEMENTATION OF TRAINING PROGRAMS FOR RESOURCE DEVELOPMENT REQUIRES JOINT GOVERNMENT AND INDUSTRY **PLANNING**, SHARED FACILITIES AND EQUIPMENT, ON-THE-JOB PROGRAMS, COORDINATION OF RECRUITMENT PRACTICES ARE EXAMPLES OF ACTIVITIES WHERE COOPERATION IS ESSENTIAL, **VOCATIONAL TRAINING REQUIRES DOLLARS AND LEAD TIME** IN ORDER TO BE EFFECTIVE,

3. THE NWT LABOUR FORCE HAS SPECIAL **NEEDS**. THE **SOCIO-ECONOMIC** ACTION PLANS IDENTIFY THE SPECIAL PROGRAMS THAT WILL BE REQUIRED OF RESOURCE DEVELOPMENTS, THESE PROGRAMS ARE ESSENTIAL IF MAXIMUM PARTICIPATION OF NORTHERNERS IS **EXPECTED**,

EXAMPLES OF PROGRAM ACTIVITIES INCLUDE:

- PREFERENTIAL HIRING PROGRAMS
- RECRUITMENT PRACTICES
- LIFESKILLS TRAINING
- FAMILY SUPPORT SERVICES
- ROTATIONAL WORK SCHEDULES
- TRANSPORTATION PROGRAMS
- TRAINING INCENTIVES

2, 2, 2 RESOURCE REVENUES

IN ITS ASSESSMENT OF THE IMPLICATIONS OF A RESOURCE DEVELOPMENT PROJECT, THE GNWT WILL EVALUATE THE GOVERNMENT REVENUES THAT WILL ACCRUE AS A RESULT OF PROJECT ACTIVITY,

BASED ON THE CURRENT REGIMES, THE GNWT WILL RECEIVE VIRTUALLY NONE OF THE RESOURCE-RELATED REVENUES THAT DEVELOPMENT WILL GENERATE,

AS OWNER OF THE NON-RENEWABLE NWT RESOURCES, THE FEDERAL GOVERNMENT COLLECTS ROYALTIES, LEASE FEES, PERMIT FEES AND RELATED PAYMENTS AS WELL AS THE LION'S SHARE OF CORPORATE INCOME TAX AND SPECIAL OIL AND GAS LEVIES.

THE GNWT HAS THE OPTION OF DIRECT TAXATION ONLY, BUT EVEN THIS OPTION IS COUNTERED BY THE ABILITY OF THE PARLIAMENT OF CANADA TO ENACT LEGISLATION TO DISALLOW LEGISLATED TAXATION INITIATIVES OF THIS GOVERNMENT. BECAUSE INDIVIDUAL TERRITORIAL OR PROVINCIAL INCOME TAX IS ASSESSED ON THE BASIS OF DECEMBER 31ST RESIDENCY, THE GNWT WILL ALSO EXPERIENCE A LOSS OF ITS TAX SHARE BECAUSE OF THE SEASONAL WORK FORCE WHICH DEVELOPMENT WILL CREATE AND WHICH IS FURTHER ENHANCED BY FEDERAL POLICIES WHICH PROMOTE "FLY IN - FLY OUT" OPERATIONS,

FURTHERMORE, BECAUSE THE CORPORATE INCOME TAX APPLICATIONS FORMULA IS BASED ON JURISDICTIONAL WAGES THE EXTRA TERRITORIAL SALES, THE GNWT RECEIVES ONLY A NOMINAL SHARE OF CORPORATE INCOME TAX FROM RESOURCE DEVELOPMENT,

TO GIVE YOU AN EXAMPLE OF THE DISPARITY IN THE CURRENT REGIME, I HAVE BEEN ADVISED THAT OUR GOVERNMENT CAN EXPECT ABOUT 470 MILLION DOLLARS (1981 DOLLARS) OVER THE LIFE OF THE ARCTIC PILOT PROJECT, THIS IS FROM PROPERTY TAXES AND OUR PORTION OF CORPORATE INCOME TAXES, AND ASSUMES A 10% INFLATION RATE. IN CONTRAST, OVER 6 BILLION DOLLARS ARE GENERATED FOR THE FEDERAL GOVERNMENT THROUGH CORPORATE INCOME TAXES AND GAS REVENUE AND EXCISE TAXES ,

FOR THE NORMAN WELLS PROJECT, OVER THE 1983-2010 PERIOD, IT IS ESTIMATED THAT THE FEDERAL GOVERNMENT WILL COLLECT 6.4 BILLION DOLLARS, THE GNWT WILL ONLY COLLECT ABOUT 10 MILLION DOLLARS,

RESOURCE DEVELOPMENT INVOLVES A COST TO THE GNWT IN THE FORM OF INCREASED PROGRAM ACTIVITY, SERVICES AND Infrastructure OUR SUPPORT OF NORTHERN RESOURCE DEVELOPMENT WILL CERTAINLY REFLECT OUR ABILITY TO PARTICIPATE FULLY IN THE ECONOMIC BENEFITS.

2.2.3 COMPENSATION POLICY

AS MINISTER OF RENEWABLE RESOURCES, I HAVE AUTHORIZED THE PREPARATION OF A COMPENSATION POLICY PROPOSAL FOR THE CONSIDERATION OF THE EXECUTIVE COMMITTEE, THE PURPOSE OF THE POLICY WOULD BE TO ADDRESS THE LOSS OR REDUCTION OF COMMERCIAL OR RECREATIONAL HARVESTING ACTIVITIES, AS A RESULT OF RESOURCE DEVELOPMENT, WHERE REASONABLE MITIGATION HAS BEEN UNDERTAKEN AND ENVIRONMENTAL IMPACTS ARE STILL IDENTIFIED, THE POLICY WOULD OUTLINE A PROCEDURE OR FORMULA TO FINANCIALLY COMPENSATE USERS, FOR EXAMPLE, TRAPPERS FOR THEIR LOSS OF TRAPLINES, WE ARE IN THE PROCESS OF EXAMINING METHODS IN OTHER JURISDICTIONS FOR EXAMPLE, BRITISH COLUMBIA AND MANITOBA AND INTEND TO PRESENT A PROPOSAL IN THE NEAR FUTURE,

2.2.4 ENERGY BENEFITS

THE GNWT STATED DURING THE REGULATORY REVIEWS AND HEARINGS ON THE **NORMAN WELLS** PROJECT AND ON THE ARCTIC PILOT PROJECT THAT THE NORTHERN COMMUNITIES SHOULD **DERIVE** AN ENERGY BENEFIT FROM **ENERGY PRODUCING PROJECTS**.

A STRATEGY ELEMENT **IN** OUR ENERGY POLICY DEALS WITH TERRITORIAL USE OF THE LARGE RESERVES OF ARCTIC **OIL AND GAS**. **WE** BELIEVE THAT HYDROCARBON DEVELOPMENTS SUCH AS THE **ARCTIC PILOT** PROJECT OFFER A **PROMISING** SUPPLY OPTION FOR COMMUNITIES ABOVE THE TREELINE,

NORTHERNERS WOULD BENEFIT THROUGH REDUCED PRICES AND MORE ASSURED SUPPLY, CANADIANS WOULD BENEFIT THROUGH THE REDUCTION IN THE DRAIN OF SCARCE PRODUCT NORTHWARD,

I AM SURE THAT THE SPECIAL SENATE COMMITTEE IS FAMILIAR WITH THE **NORTHERN PIPELINE ACT OF 1977**. THIS ACT SETS THE PRECEDENT FOR THE REQUIREMENT OF LOCAL SUPPLY FROM A **MEGAPROJECT**. THE **ACT** REQUIRES **FOOTHILLS PIPELINES (SOUTH YUKON) LTD.** TO CONSTRUCT HIGH PRESSURE LATERALS TO THE TOWN GATES OF EIGHT SPECIFIED YUKON COMMUNITIES, THE COMPANY IS FURTHER REQUIRED TO MAKE A FINANCIAL CONTRIBUTION IN RESPECT OF PROVIDING THIS GAS OF **2.5 MILLION DOLLARS (\$1977)1**

THE VALUE OF THIS ENERGY BENEFIT IS CONSIDERED BY SOME YUKON ANALYSTS TO FAR OUTWEIGH THE SUM OF THE PIPELINE'S EMPLOYMENT AND BUSINESS INCENTIVE BENEFITS, IN THEIR VIEW, HOME HEATING COSTS WILL BE REDUCED UP TO 75%.

A NUMBER OF OPTIONS TO USE ARCTIC OIL AND GAS FOR THE ENERGY NEEDS OF NORTHERN COMMUNITIES ARE BEING CONSIDERED, THESE INCLUDE:

1. THE CONSTRUCTION OF "TOPPING PLANTS" TO PROVIDE CONVENTIONAL PRODUCT FOR USE BY INDUSTRY AND THE COMMUNITIES,

THESE SMALL SCALE REFINERIES CAN BE CONSTRUCTED ON BARGES IN THE SOUTH AND SIMPLY TOWED TO A SUITABLE LOCATION IN THE NORTH.

2. THE USE OF LNG

LNG COULD BE PRODUCED AT ANY GAS WELL AND USED AS A MOTIVE FUEL FOR DIESEL GENERATORS,

3. THE USE OF PROPANE

4. THE USE OF METHANOL

THE FUEL CAN BE PRODUCED FROM NATURAL GAS WITH EXISTING AND COMMERCIALY AVAILBLE EQUIPMENT, IT IS RELATIVELY SAFE AND NON-POLLUTING AND COULD SERVE THE SPACE HEATING, TRANSPORTATION

AND ELECTRICAL GENERATION NEEDS" OF REMOTE COMMUNITIES] IT IS STORED, DISTRIBUTED AND HANDLED IN WAYS SIMILAR TO CONVENTIONAL PETROLEUM PRODUCTS.

DIFFICULTIES WITH ALCOHOL FUELS HAVE BEEN IDENTIFIED BUT THESE PROBLEMS APPEAR TO BE AMENABLE TO SOLUTION,

IT ITS DETERMINATION OF SUPPORT FOR ENERGY PRODUCING PRODUCTS THE GNWT WILL EXAMINE THE AVAILABILITY OF ENERGY BENEFITS TO NORTHERN COMMUNITIES.

3, DECISION-MAKING - GNWT ' PERSPECTIVES

WHENEVER WE CONSIDER THE ACCUMULATION OF DECISION-MAKING PROCESSES THAT HAVE EMERGED, WE ASK OURSELVES THE SAME QUESTIONS:

WHO MAKES THE DECISIONS?

WHERE **DOES** GNWT **INPUT** FIT?

RIGHT NOW, RELATIVE TO BEAUFORT DECISIONS THE GNWT IS PARTICIPATING IN SEVERAL FEDERAL EXERCISES, THE MOST IMPORTANT OF THESE ARE:

1. BEAUFORT SEA ENVIRONMENTAL ASSESSMENT AND REVIEW PROCESS

THIS HAS INVOLVED THE GOVERNMENT IN THE PREPARATION OF AN INITIAL POSITION PAPER, IT WILL ALSO CALL FOR A REVIEW OF THE ENVIRONMENTAL IMPACT STATEMENT FROM INDUSTRY,

2. DIAND - THE BEAUFORT SEA OFFICE

THIS HAS INCLUDED A NUMBER OF TASKS FROM SIMPLE REVIEWS OF REGULATORY SYSTEMS AND INVENTORY OF LEGISLATION TO A DETAILED INFRASTRUCTURE ANALYSIS, IT WILL ALSO INVOLVE INFRASTRUCTURE, PROGRAM AND FUNDING PROJECTIONS, “

3. DIAND - EMR - THE BEAUFORT SEA ASSIGNMENT

A STUDY LED BY DR. BARRY CARIN, THE STUDY WILL REVIEW TRANSPORTATION OPTIONS,

4. THE HEARINGS OF THE SPECIAL SENATE COMMITTEE ON NORTHERN PIPELINE

THE EARP PROCESS, COORDINATED BY **F.E.A.R.O.**, IS RECEIVING THE **HIGHEST PRIORITY OF THE GNWT**, **WE** ARE FAMILIAR WITH THE PROCESS, HOW WE FIT INTO THE REVIEW, **MORE** IMPORTANTLY, THE **EARP REVIEW IS** A **PUBLIC** PROCESS AND PROVIDES FOR **SIGNIFICANT** PUBLIC PARTICIPATION, **EARP** WILL INVOLVE ALL THE AFFECTED COMMUNITIES IN THE CONSIDERATION OF THE **ISSUES**.

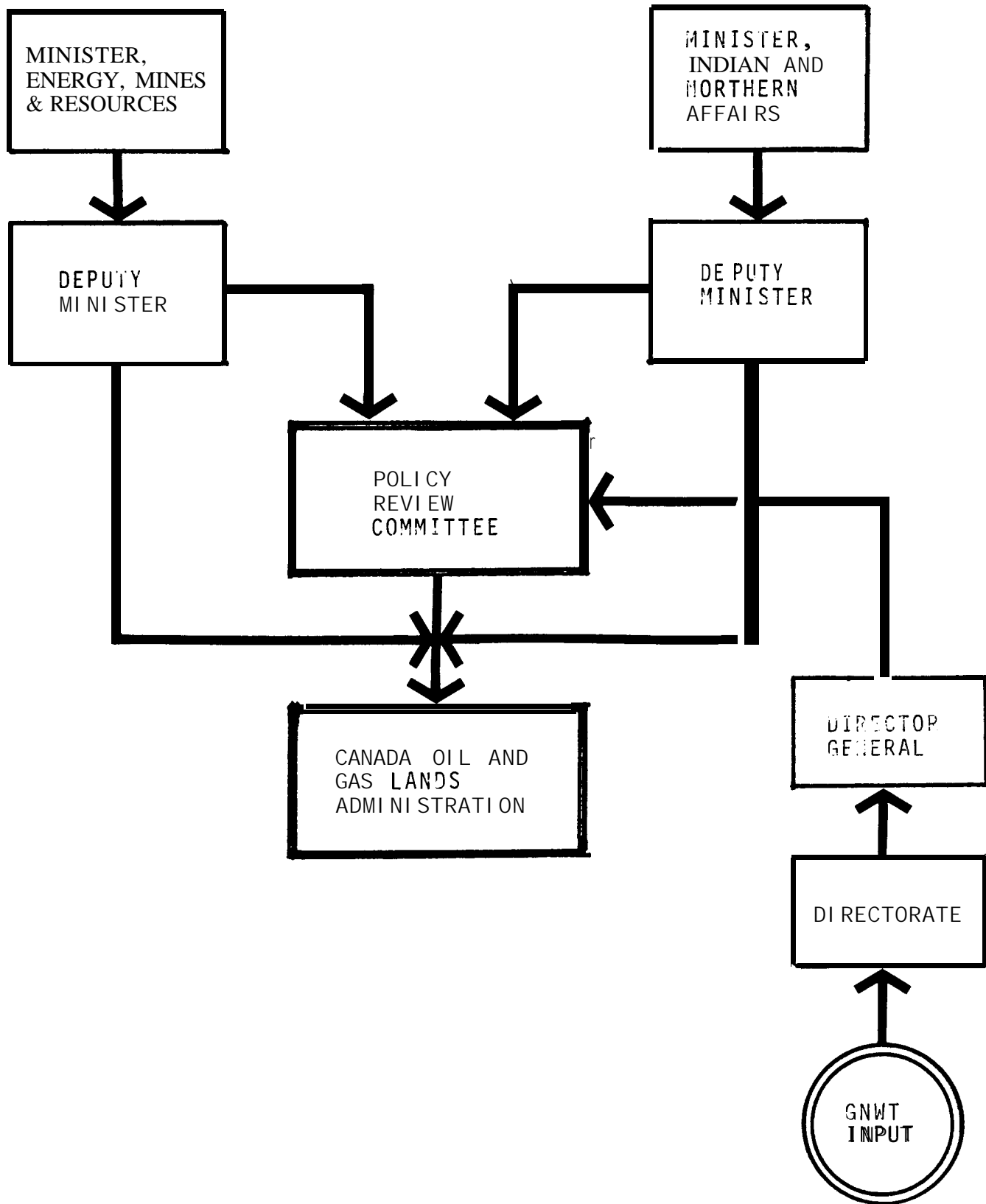
IT APPEARS SOME OF THE OTHER PROCESSES HAVE UNDISCLOSED INPUTS AND UNCLEAR RESULTS AND THE COMMITTEES AND TASK FORCES OPEN TO GNWT PARTICIPATION FUNCTION MORE TO OVERWHELM US THAN TO RESOLVE THE ISSUES,

MY GOVERNMENT ALSO HAS MAJOR CONCERNS ABOUT THE OPERATION OF THE CANADA OIL AND **GAS LANDS ADMINISTRATION**, OR **COGLA**. IT IS IN RELATION TO **COGLA** THAT THE GNWT DISCOVERS ITSELF AS A SECTION OF A DIVISION OF A FEDERAL DEPARTMENT,

COGLA APPEARS TO BE THE ULTIMATE AUTHORITY FOR OIL AND GAS DEVELOPMENTS IN THE NORTH AND THERE APPEARS TO BE LITTLE ROOM FOR THE INVOLVEMENT OF THE **GNWT**. **WE** HAVE SOME ASSURANCES FROM **MR. MUNRO**. EARLIER THIS MONTH IN TORONTO, **MR. MUNRO** STATED :

"IT IS THE GOVERNMENT'S POLICY TO SUPPORT MAJOR **RESOURCE** DEVELOPMENT IN THE NORTH TO THE BENEFIT OF ALL CANADIANS, BUT PRUDENTLY, AND WITH THE INVOLVEMENT AND SUPPORT OF NORTHERN RESIDENTS" ,

DECISION MAKING : COG LA



BUT IT APPEARS TO US THAT THE ACTIONS OF FEDERAL OFFICIALS ARE OFTEN COUNTER TO THE **MINISTER'S** COMMITMENT,

THERE HAVE BEEN OCCASIONS WHEN **SOCIO** ECONOMIC ACTION PLANS HAVE BEEN DEVELOPED WITHOUT OUR INVOLVEMENT, AGREEMENTS AND PERMITS FOR MAJOR RESOURCE DEVELOPMENT ACTIVITY HAVE BEEN ISSUED WITHOUT NOTICE,

RECENT EXPERIENCE SEEMS TO INDICATE THAT CERTAIN FEDERAL OFFICIALS WISH TO TAKE A LEAD ROLE IN THE **SOCIO** ECONOMIC MATTERS, FUTURE DISCUSSION WITH **DIAND** AND COGLA OFFICIALS WILL HOPEFULLY RESOLVE THESE ISSUES TO OUR SATISFACTION,

THE TANKERS - PIPELINES QUESTION

I INTEND TO BE BRIEF **HERE**. I AM AWARE THAT THERE ARE MANY COMPLICATED FACTORS TO BE TAKEN INTO Consideration **WE** HAVE LISTENED TO EXPERTS TALK ABOUT MARKETS, TECHNOLOGY, RESEARCH NEEDS, GOVERNMENT POLICIES AND ENVIRONMENTAL CONCERNS ABOUT TANKERS AND PIPELINES, WE ARE AWARE THAT THERE ARE **NATIONAL** AND INTERNATIONAL ISSUES **INVOLVED**.

FROM OUR PERSPECTIVE, I WILL ADD:

1. THERE IS THE EXPERIENCE AND THE DATA TO BE ABLE TO SAY THAT PIPELINES ARE AN ENVIRONMENTALLY KNOWN QUANTITY, ICE BREAKING OIL TANKERS REPRESENT AN UNKNOWN EXPERIENCE FOR THE PEOPLE AND LAND OF THE **NWT**.

2₀ AGAIN THERE IS THE EXPERIENCE AND DATA TO BE **ABLE** TO SAY
 THAT PIPELINE CONSTRUCTION AND OPERATION MEANS **MORE** EASILY _
 IDENTIFIED BENEFITS AND PREDICTABLE SOCIAL **COSTS**.

4. CONCLUSION

PERHAPS OUR PERSPECTIVE ON THIS ISSUE AND ALL ISSUES IS BEST
 STATED IN THE WORDS USED BY **MR. MUNRO**, RESOURCE DEVELOPMENT
 HAS ITS "PRICE" AND BRINGS ITS "REWARDS",

THE GNWT WISHES TO INSURE THAT **ITS** CITIZENS PARTICIPATE
 IN THE REWARDS OF RESOURCE DEVELOPMENT, I HAVE PROVIDED YOU
 WITH A LIST OF THE 10 **CONDITIONS** FOR GNWT SUPPORT OF THE
 ARCTIC PILOT PROJECT **Inc.** THESE ARE A CURRENT EXAMPLE OF
 THE TERMS AND CONDITIONS THE GNWT PREFERS, IN CONCLUSION,
 THE GNWT SEEKS OPPORTUNITIES TO REPRESENT THE CONCERNS OF
 ITS CITIZENS, AND IS DETERMINED TO EXPAND ITS ROLE IN
 RESOURCE DEVELOPMENT ISSUES,

Conditions for Support of the Arctic Pilot Project

1. Arctic Pilot Project, **Inc.** must assure the Government of the Northwest Territories that at no time will the Arctic Pilot Project become more than an experiment for the duration of the project. It is the pilot project as described, not its potential for adaptation, but its careful control of cargo, consisting of **liquified** natural gas and its small scale shipping component, that is supported by the Government of the Northwest Territories.
2. The Government of the Northwest Territories recognizes and supports the concerns expressed by native organizations that claims based upon aboriginal rights to land in the Northwest Territories may be prejudiced if large scale resource developments are allowed to proceed before substantial progress has been made towards a settlement. With that in mind, the Arctic Pilot Project must conform to any management regimes negotiated through the **Inuit** Rights settlement.
3. A **Socio-Economic** Action Plan will be negotiated directly with Arctic Pilot Project, **Inc.** and the following conditions will form the basis for discussions with the proponent.
 - a) Arctic Pilot Project, Inc. and its contractors must work with the Government of the Northwest Territories, settlement and municipal councils, and local residents to jointly plan and implement measures to cope with potential negative social consequences of the project.
 - b) Arctic Pilot Project, Inc. and its contractors must work with the Government of the Northwest Territories, settlement and municipal councils and local residents to develop employment strategies which ensure northern residents shall have the right of first refusal on **all** jobs in which they are interested and for which they are qualified or trainable.
 - c) Arctic Pilot Project, Inc. and its contractors must work with the Government of the Northwest Territories to ensure that northern businesses will be utilized in the construction and operational phases whenever possible.
 - d) Arctic Pilot Project, Inc. the Government of the Northwest Territories and settlement and municipal councils must set up a committee to conduct a needs assessment survey within the impact area to determine employment skill needs, industrial training needs and entry level for these industrial training requirements. Subsequent to the completion of the survey, Arctic Pilot Project, Inc. and the Government of the Northwest Territories will develop and deliver industrial training programs and entry level training to ensure that northern residents are qualified to compete for all employment positions.

4. Arctic Pilot Project, **Inc.** must assure the Government of the Northwest Territories that construction operation and abandonment of the project will take place with minimal damage to the flora and fauna of the region.
 - a) Arctic Pilot Project, **Inc.** must assure the Government of the Northwest Territories, Hunters and Trappers Associations and native interest groups that environmental impacts will be minimized and adequate contingency plans developed to protect the renewable resources of the region.
 - b) Arctic Pilot Project, **Inc.** must assure the Government of the Northwest Territories, Hunters and Trappers Associations and native interest groups that disruptions of wildlife harvesting activities will be minimized.
 - c) Arctic Pilot Project, **Inc.** must develop appropriate plans to allow the **Inuit** to carry on traditional resource harvesting activities and must assure the Government of the Northwest Territories, Hunters and Trappers Associations and native interest groups that losses to the renewable resource base resulting from the effects of the project will be the subject of a plan for compensation of the resource users.
 - d) Arctic Pilot Project, **Inc.** must assure the Government of the Northwest Territories that environmental baseline data gaps will be identified, that effects on renewable resources and their uses will be monitored and that appropriate plans and studies will be funded to address unanswered concerns. The Government of the Northwest Territories, Hunters and Trappers Associations and native interest groups must be assured a meaningful role in advising and directing future biological studies funded by Arctic Pilot Project, **Inc.**

5. Historical and archaeological sites known and discovered during construction activity on Melville Island, specifically the Bridport Inlet area, must be protected according to appropriate guidelines and principles established by the National Museum and the Government of the Northwest Territories Northern Heritage Centre.
6. Arctic Pilot Project, **Inc.** must assure the Government of the Northwest Territories that the community marine resupply will not be affected by the shipping activities of the project.
7. A project management structure including representatives from Arctic Pilot Project, Inc., Federal Government, the Government of the Northwest Territories, settlement and municipal councils and native interest groups will be established which monitors the management of the project.
8. The applicant should, at all times, remain aware of the requirements in the Territorial Public Health Ordinance and should expect to be strictly accountable for meeting all legislated standards and procedures including public health and sanitation, pollution and medical care of its camp employees. Despite the intrinsically experimental nature of the project, at all times the standards identified in the Ordinances of the Northwest Territories must be observed by Arctic Pilot Project, **Inc.** for they relate directly to the health and safety of the workers involved in all on-land aspects and phases of the project. Examples of Government of the Northwest Territories Ordinances include the Fire Prevention Ordinance and Regulations, Safety Ordinance and Regulations, Electrical Protection Ordinance and Regulations, and Boilers and Pressure Vessel Safety Ordinance and Regulations.
9. It is our position that Arctic Pilot **Project, Inc.** in consultation with the Government of the Northwest Territories, should develop a plan to provide energy to accessible communities and Arctic Pilot Project, **Inc.** will include in its production proposal the **delivery** of such energy.
10. The Government of the Northwest Territories should receive an equitable share of the revenues and royalties from the Arctic Pilot Project. These revenues are currently projected to accrue to the Government of Canada.