

BRIEFING NOTE FOR INFORMATION

DATE: November 19, 2015

PREPARED FOR: Honourable Christy Clark, Premier

MEETING: Federal Government Officials, Ottawa, November 2015

ISSUE: Presentation and Discussion of Liquefied Natural Gas Development – First Nations

SUMMARY:

- The Province has pursued a “three pillars” approach to garner support of First Nations for LNG Development which includes social, environmental and economic benefits to First Nations across the entire value chain of development.
- Industry has made strong commitments to negotiate their own impact benefit agreements with First Nations and is closely aligning their negotiations with those being undertaken by the Province.
- BC has achieved significant success in completing First Nation LNG Agreements:
 - 3 Upstream Agreements,
 - 62 Midstream (pipeline) Agreements, and ;
 - 1 Downstream (facility).
- BC has made an investment of \$30M in new Aboriginal Skills Training funding.
- BC has made an investment of \$30M in the LNG Environmental Stewardship Initiative.

BACKGROUND:

The Province is seeking Liquefied Natural Gas (LNG) agreements with First Nations to ensure they can participate and benefit from B.C.'s LNG opportunity, to ensure an LNG export industry is developed in B.C., and to give proponents the certainty needed to make final investment decisions.

First Nations are generally supportive of natural gas and LNG development contingent on industry negotiating impact benefit agreements and that the Province fulfil its “three pillars” approach to establish social, environmental and economic opportunities for communities affected by LNG proposals.

Social and Environmental Initiatives

British Columbia has publicly committed to provide \$30M to establish the LNG Environmental Stewardship Initiative (LNG ESI) in collaboration with First Nations. LNG ESI was initiated as a response to First Nations who wanted a long term environmental legacy associated with LNG projects.

British Columbia has publicly committed to provide up to \$30M over the next three years in new Aboriginal Skills Training funding, targeted to First Nations affected by LNG proposals. Initial intake of proposals by First Nations has been received and year one funding decisions on proposals has begun.



Economic Agreements

Upstream: There are eight Treaty 8 First Nations affected by upstream natural gas and LNG-related activities. Additionally, there coal, wind and hydro-electric projects being proposed in northeast British Columbia. It is critical to achieve certainty for upstream-related activities in order for LNG facilities to become operational.

The Province has completed 3 Economic Benefit Agreements with Treaty 8 First Nations (one with Saulteau; and a consolidated agreement with Prophet River and West Moberly). s.16
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Midstream: Significant new natural gas pipeline proposals from Northeast B.C. to coastal locations in Kitimat and the Prince Rupert Area are required for transporting fuel to LNG facilities. These projects are 500-800km in length.

Thirty Two (32) First Nations are affected by four proposed natural gas pipeline projects: Pacific Trail Pipeline (PTP) (Chevron), Prince Rupert Gas Transmission (PRGT) (TransCanada), Coastal GasLink (CGL) (TransCanada), and Westcoast Connector Gas Transmission (WCGT) (Spectra).

B.C.'s offer of benefits to First Nations associated with natural gas pipeline proposals include;

- Early completion/signing bonuses (before end of March)
- One time construction related payments;
- In-service, ongoing annual payments of \$10M per pipeline project, to be shared by affected First Nations.

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Downstream: In order to encourage support for LNG facilities from First Nations, BC has been offering a combination of land and economic benefits. BC has completed agreements with Haisla Nation associated with the Kitimat LNG (Chevron/Woodside) and agreements with Metlakatla and Lax Kw'alaams associated with Grassy Point (Woodside) and Digby Island (Nexen) proposals.

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Priority challenges needing to be addressed include discussions with Lax Kw'alaams associated with the Pacific Northwest LNG proposal.

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DC

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BULLETS

DATE: October 16, 2015

PREPARED FOR: Honourable John Rustad, Minister of Aboriginal Relations and Reconciliation

REGARDING: An update meeting with Ben Stewart, BC Trade and Investment Commissioner in Asia regarding progress with First Nations in support of LNG development.

SUMMARY:

- Substantial progress has been achieved in negotiating Pipeline Benefits Agreements with First Nations across north central British Columbia.
- We have 61 pipeline benefit agreements with 28 First Nations, and 32 agreements have been announced to date. There is 1 facility agreement completed and announced.
- ESI (Four attachments)
 - In response to feedback from First Nations regarding LNG pipeline projects, the Province has allocated \$30M over 3 years to the development and implementation of the LNG Environmental Stewardship Initiative (LNG ESI).
 - The goals of the LNG ESI is to develop a new collaborative approach with First Nations, the Province, the natural gas industry and the federal government to establishing environmental legacies related to LNG development.
 - The focus of LNG ESI is on ecosystem assessment and monitoring, restoration and reclamation, research and knowledge and education and training. 32 First Nations have been invited to participate and four regional stewardship forums (Northeast, Omineca, Skeena and North Coast), as well as a governance working group, have been established.
 - The short-term focus of the LNG ESI is to develop demonstration projects in each of the regions to showcase LNG ESI and continue to generate positive forward momentum for the initiative.
- Skills and training funding
 - As part of the *BC Skills for Jobs Blueprint*, government is investing up to \$30M over the next 3 years for new Aboriginal skills training projects and partnerships (see attached news release).
 - Designed for and with First Nation communities, the \$30M investment is part of a comprehensive plan to assist First Nation communities in benefiting from the emerging LNG sector.
 - Year 1 projects will be announced throughout fall 2015. Examples of year 1 training projects include essential skills/job readiness, academic upgrading, pre-trades and environmental monitoring.

- The Lax –kw’alaams First Nation remains divided on the issue of the Lelu Island and support for Pacific NorthWest Natural Gas (Petronas), while a Band election scheduled for mid-November may provide clarity on a path forward.
- Noteworthy, the Province has reached a preliminary agreement with the Tsilhqot’in Nation.

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NEWS RELEASE

For Immediate Release
2015ARR0012-000557
April 24, 2015

Ministry of Aboriginal Relations and Reconciliation

B.C. boosts investment in Aboriginal skills training

Link to B.C.'s Skills for Jobs Blueprint and First Nations (Factsheet) corrected

As part of B.C.'s Skills for Jobs Blueprint, government will invest up to \$30 million over the next three years for new Aboriginal skills-training projects and partnerships.

Starting this year, up to \$10 million annually in new funding will support Aboriginal skills training focused primarily on First Nations communities poised to benefit from LNG development. Programs will support B.C.'s Skills for Jobs Blueprint and the overall goal of adding 15,000 more Aboriginal workers to the province's workforce within 10 years.

Designed for and with First Nations communities, the \$30-million investment in Aboriginal skills training is part of a comprehensive plan to help ensure Aboriginal people and First Nations communities have more opportunities to benefit from the growth of the emerging LNG sector. These opportunities include training pathways to well-paying jobs and economic growth, as well as collaboration on the development of long-term environmental protection and stewardship measures.

Increasing opportunities for skills training and sustainable employment among B.C.'s Aboriginal population and First Nations connected with the LNG sector will be the focus of the program. For example, funded programs may include such things as pipeline construction training, mobile training facilities and certification for heavy-duty equipment operators.

Funds will help address key barriers that First Nations communities face in accessing skills development and labour market programs and services, especially in remote and rural areas.

Investments made possible by the new fund will be guided by community-based discussions on labour market and skills training needs with First Nations. The funds will be managed and distributed by the Ministry of Aboriginal Relations and Reconciliation. The B.C. government will seek to leverage the new funding with additional investments from partners, including the federal government and industry.

Also today, the Industry Training Authority announced the selection of a steering committee to drive the development of an Aboriginal Construction Craft Worker Program. The committee will look at program development and engage key stakeholders to ensure a successful program for Aboriginal people to enter the trade.

Quotes:

John Rustad, Minister of Aboriginal Relations and Reconciliation –

"The Aboriginal Skills Training Development Program is a good example of how our government

is walking a better path and working in partnership with First Nations to ensure a positive legacy from LNG development.”

Shirley Bond, Minister of Jobs, Tourism and Skills Training, and Minister Responsible for Labour –

“Access to well-paying jobs and economic participation are keys to shared prosperity with First Nations. By increasing funding for Aboriginal skills training, we are promoting greater First Nations participation in a dynamic and rapidly changing labour market.”

“With one million job openings anticipated by 2022, two-thirds from retirement and one-third from economic growth, Aboriginal people and First Nations communities will be critical to meeting our future workforce demands and keeping our economy diverse, strong and growing.”

Chief Barry Nikal, Moricetown Band –

“This new fund is a step in the right direction. It will benefit First Nations throughout the North, including the Moricetown Band. We welcome the skills training benefits this fund will provide.”

Quick Facts:

- Aboriginal people are a priority in B.C.’s Skills for Jobs Blueprint.
- By 2022, one million job openings are expected in the B.C. labour market. A scenario with five LNG plants operating in B.C. would add an additional 100,000 jobs by 2023.
- More than 78% of future jobs will require some form of post-secondary education, and 43% will be in trades and technical occupations.
- More than 40,000 Aboriginal British Columbians live in northern communities and almost half of all Aboriginal people in B.C. are under the age of 25 years.
- The participation of Aboriginal people in skills training programs is critical to the economic success of B.C. as a whole.
- Aboriginal participation in apprenticeship training has doubled since 2006.
- To date, more than 2,400 Aboriginal people have accessed trades training and apprenticeship programs through the Industry Training Authority.
- With Budget 2015, government is extending the BC Training Tax Credit program for an additional three years to the end of 2017.
- To encourage First Nations participation in trades, individual Aboriginal and employer tax credits are being enhanced by 50%.

Learn More:

B.C.’s Skills for Jobs Blueprint: www.workbc.ca/skills

B.C.’s Skills for Jobs Blueprint and First Nations (Factsheet):

<http://www.newsroom.gov.bc.ca/ministries/aboriginal-relations-and-reconciliation/factsheets/jobs-blueprint-and-first-nations.html>

The BC Jobs Plan: <http://engage.gov.bc.ca/bcjobsplan/>

Aboriginal Construction Craft Worker Program: <http://www.itabc.ca/news-and-events/ita-news>

NEWS RELEASE

For Immediate Release
2015ARR0032-001206
July 29, 2015

Ministry of Aboriginal Relations and Reconciliation

Funding supports LNG environmental legacies

VICTORIA – New provincial government funding is supporting environmental stewardship projects being developed throughout northern B.C. with First Nations and the liquefied natural gas (LNG) industry.

B.C.'s LNG Environmental Stewardship Initiative will allocate up to \$30 million over three years for co-designed projects that First Nations communities will have a direct hand in managing.

Projects in development focus on four key areas:

- ecosystem assessment and monitoring
- ecosystem restoration and enhancement
- ecosystem research and knowledge exchange
- stewardship education and training

"First Nations should be strong partners in resource management in their traditional territories," said John Rustad, Minister of Aboriginal Relations and Reconciliation. "The LNG Environmental Stewardship Initiative is a new way of working with First Nations – one in which First Nations help design the process from the outset and propose projects that are important to their communities."

The initiative was created because many First Nations want to be involved in the LNG industry while managing environmental impacts within traditional territories. Since it was first announced in May 2014, regional stewardship forums with First Nations, industry and government representatives have been established throughout the North to identify environmental priorities and work together to refine the project concepts.

"We want First Nations to share in the benefits of LNG development," said Rich Coleman, Minister of Natural Gas Development. "We're working together to determine what kind of legacy we want to create."

To date, 32 First Nations, the Province and industry are working together on the LNG Environmental Stewardship Initiative.

"By working together across government with First Nations and industry, we will create high-quality and accessible environmental information that all participants can trust," said Steve Thomson, Minister of Forests, Lands and Natural Resource Operations. "Collaboration that results in trusted information will ensure that future resource management decisions are supported by all parties."

There is potential for the initiative to provide training for First Nations members to undertake the on-the-ground technical aspects of environmental monitoring and to create jobs focused on protecting the environment.

"The development of an LNG export industry in B.C. has tremendous potential to raise the bar on the quality of life for many First Nations across the North through increased prosperity and access to jobs," said Wet'suwet'en First Nation Chief Karen Ogen. "The LNG Environmental Stewardship Initiative is helping First Nations realize that economic potential without sacrificing our environmental priorities."

"Environmentally responsible development is key to being a good neighbour," said Tony Palmer, TransCanada's senior vice-president, stakeholder relations. "TransCanada respects the value that comes from working closely with First Nations through all aspects of our projects. This initiative will further strengthen our understanding of each other's environmental priorities. We look forward to continuing our work with Aboriginal groups in northern B.C. to ensure the environment is properly cared for."

Quick Facts:

- The Province is ensuring First Nation communities can participate in, and benefit from, B.C.'s LNG opportunity through a three-pillared approach: skills training and job creation, economic benefit sharing and environmental stewardship projects.
- Up to \$30 million over three years in new funding has also been committed to support Aboriginal skills training, focused primarily on First Nation communities poised to benefit from LNG development.
- Nearly all First Nations with proposed natural gas pipelines through their traditional territories have signed pipeline benefits agreements with the Province.

Learn More:

LNG ESI web site: <http://ow.ly/QtOGK>

Funding for Aboriginal skills-training projects and partnerships: <http://ow.ly/Q8EeT>

Pipeline benefits agreements the Province has signed with First Nations: <http://ow.ly/FHpLO>

More information on LNG in B.C., including the Province's latest news, frequently asked questions, and links to LNG skills and training can be found at www.engage.gov.bc.ca/LNGinbc

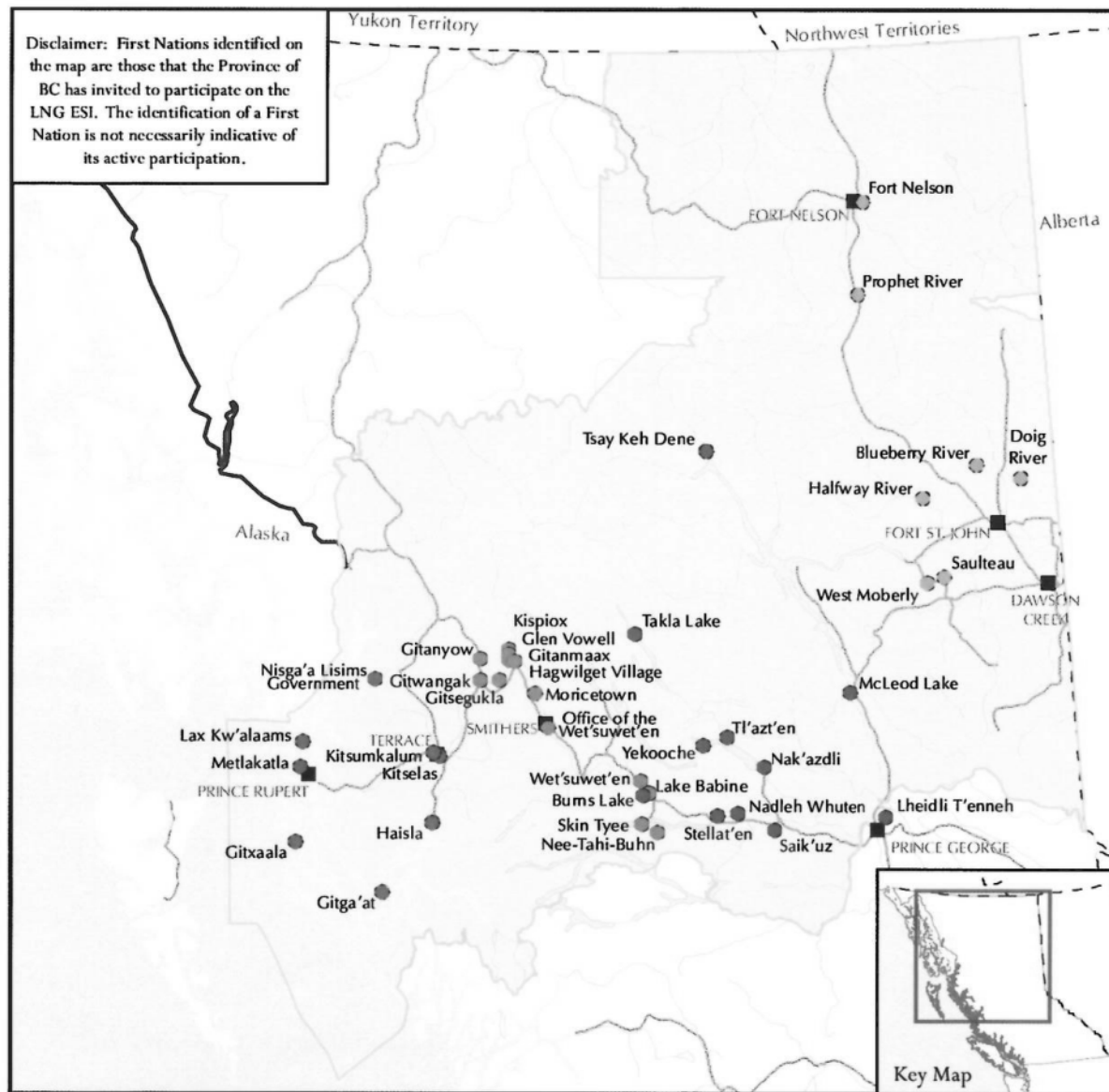
Follow the conversation on LNG using this hashtag #LNGinBC

Contact:

Ministry of Aboriginal Relations and Reconciliation
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250 213-7724

Connect with the Province of B.C. at: www.gov.bc.ca/connect

Disclaimer: First Nations identified on the map are those that the Province of BC has invited to participate on the LNG ESI. The identification of a First Nation is not necessarily indicative of its active participation.



LNG ESI

Regional Stewardship Forums (RSF)

First Nation Participants

● North Coast RSF

Gitga'at FN
Gitxaala FN
Haisla FN
Kitselas FN
Kitsumkalum FN
Lax Kw'alaams FN
Metlakatla FN
Nisga'a Lisims Government

● Skeena RSF

Gitanyow FN
Gitxsan Hereditary Chiefs
Gitanmaax
Gitsegukla
Gitwangak
Glen Vowell
Kispiox
Hagwilget Village FN
Lake Babine FN
Moricetown Indian Band
Nee-Tahi-Buhn Band
Office of Wet'suwet'en
Skin Tyee FN
Wet'suwet'en FN

● Omineca RSF

Carrier Sekani Tribal Council
Burns Lake FN
Nadleh Whut'en FN
Nak'azdli FN
Saik'uz FN
Stellat'en FN
Takla Lake FN
TI'azt'en FN
Lheidli T'enneh
McLeod Lake Indian Band
Tsay Keh Dene
Yekooche FN

● Northeast RSF

Blueberry River FN
Doig River FN
Fort Nelson FN
Halfway River FN
Prophet River FN
Saulteau FN
West Moberly FN