

MINISTRY OF ABORIGINAL RELATIONS
AND RECONCILIATION
BRIEFING NOTE

Date: December 4, 2014
Ref. No. 35684

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I Prepared for the **INFORMATION** of Honourable John Rustad, Minister

II ISSUE:

The Council of Gitga'at First Nation meeting with Ministers Coleman, Bennett, Polak and Rustad to discuss mutual areas of interest around LNG developments in the Gitga'at First Nation Territory

CN/ED	✓
ADM	✓
DM	✓

III

BACKGROUND:

The Gitga'at First Nation (GFN) is a Tsimshian nation located at Hartley Bay, 150 km southeast of Prince Rupert and 80 km southwest of Kitimat at the confluence of Grenville and Douglas Channels. The GFN is a member of the Coastal First Nations – Great Bear Initiative (CFN), which is an aggregation of seven First Nations (Haida Nation, Heiltsuk Nation, Kitasoo Indian Band, Metlakatla First Nation, Nuxalk Nation, and Wuikinuxv Nation). GFN was the first responder when the Queen of the North sank in the middle of the night in the Grenville Channel in 2006.

On July 15, 2014 a letter of understanding was signed by Ministry of Aboriginal Relations and Reconciliation (MARR) and GFN negotiators. The LOU identified funding for GFN to engage with the Province to discuss specified topics relating to GFN's LNG development interests, including lands, skills/training and employment, marine shipping and emergency response and airshed monitoring. The first meeting took place on November 18, 2014.

IV DISCUSSION:

The Province and CFN are close to completing a term sheet that sets out the components of a benefits sharing agreement with the Province on LNG facilities and infrastructure. The term sheet will result in negotiating amendments to two Reconciliation Protocols, with Haida and CFN. The GFN will be eligible for a percentage of each of the four streams of benefits. While GFN remains part of the CFN organisation, GFN has recently expressed a desire for a stand-alone LNG agreement with the Province.

On December 1, 2014, GFN provided a Briefing Note titled *Gitga'at First Nation: LNG Development and Opportunity Realized* (attached) which outlines five key issues GFN wishes to discuss with Ministers.

Issue #1 – GFN request continued engagement on the Kitimat and Prince Rupert Airshed Assessment and Management: GFN was involved in the Kitimat Airshed Assessment through Provincial capacity funding which paid for a consultant to represent GFN at the table. GFN chose to have a third party do a review of the Assessment, and have further interest in participating in airshed management. Specifically, GFN has asked the Province for an air quality monitoring station in its community; this equipment would

cost \$60,000 for installation and \$15,000 per year for maintenance. Ministry of Environment (MoE) staff are encouraging GFN to also approach industry to fund this work. If the monitoring station is installed, MoE recommends that it be installed at least one year before LNG terminals are built to collect baseline information on the nature and extent of any emissions, which would allow for a review of the data in relation to existing and future airshed impacts. MoE also recommends the need for continuation of the site be done three years after the first LNG facility is operating.

In addition to the Kitimat Airshed Assessment, the Province announced the Prince Rupert Airshed Assessment process on December 2, 2014. MoE has contacted both CFN and GFN representatives to invite their participation in the study. As part of this discussion, GFN provided MoE with the 3rd party review of the Kitimat Airshed Assessment, which the Province is using to refine the process for the Prince Rupert Assessment. A draft Prince Rupert Assessment report is expected to be completed by March 31, 2015.

Issue #2 – GFN request for support developing a Marine Research and Response Facility (MRRF) in Hartley Bay: MARR has engaged GFN in identifying the availability of Crown land near Hartley Bay that could be used for the purposes of establishing a MRRF. Further discussion will be explored as part of agreement negotiations with the Province, led by MARR, around the identification of potential land transfers necessary for the development of such a facility. Financial benefits flowing from the CFN term sheet may also be used to facilitate GFN economic opportunities.

Issue #3 ^{s.16}
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Issue #4 – GFN requests participation in Kitimat Port Development discussions and marine shipping dialogues: In 2012, Transport Canada announced, as part of a number of initiatives to enhance marine safety and security, that the Kitimat harbour would be designated a public port under the *Canada Marine Act*. The Ministry of Transportation and Infrastructure (MOTI) is leading a working group of local government, industry,

Transport Canada, other provincial ministries and the Haisla First Nation to determine the management structure for the Industrial Port of Kitimat.

The focus of this group is the Kitimat harbour at the head of the Douglas Channel, which is located exclusively within Haisla's asserted territory. s.16

s.16 Since the formation of the working group MOTI staff has indicated their willingness to meet with GFN and others to provide updates and information about the working group. It is anticipated Transport Canada will be determining the marine port boundary in 2015 and will be conducting consultations. At this time, it is not expected the marine boundary will extend into GFN asserted territory.

The Province is working with Transport Canada to host a series of technical dialogues to explore issues and potential solutions to marine shipping and environmental protection with north-west coast First Nations, other federal agencies and industry. The first set of meetings will occur on December 11-12, 2014 in Vancouver.

Issue #5 – GFN requests that the Province supports development of renewable energy projects in conjunction with LNG development: The Province believes that electricity based on clean or renewable resources could be an important part of the energy solution for LNG development, and is committed to engaging with BC Hydro and the CFN on clean energy economics and LNG electricity requirements. Uncertainty remains concerning how much power will be required from BC Hydro for LNG facilities. As the amount of electricity needed by LNG developers becomes known, the Province is committed to working with CFN and BC Hydro to identify cost-effective opportunities to supply that demand. Provincial LNG policy requires that there be no adverse impact on domestic rates as a result of LNG development, and this will be reflected in the final solutions for LNG power supply.

V CONCLUSION:

- Suggest Ministers open the meeting with an acknowledgement of the key response role that GFN played in the rescue efforts when the Queen of the North sank in 2006.

GFN's attached Briefing Note requests the following next steps:

- A. Identify senior Provincial representatives from relevant ministries to engage directly with Gitga'at and/or CFN to make progress on the above key issues.
- B. Establish a process oversight committee or group consisting of DM or ADM level staff to ensure timely progress is made on the above issues.

Ministers could respond by directing GFN representatives to Heinz Dyck as the Chief Negotiator as the government lead for engagement with GFN and for coordinating provincial initiatives. Ministers could also highlight that government has several senior LNG-related executive committees which could provide direction to MARR as necessary on matters of concern to GFN.

Attachment (1): 1. Gitga'at Briefing Note

Carina Diller, Negotiator, 250-356-9351, G:\Negotiations & Regional Operations Division\Coast Team\280-20 Briefing Notes\Information Notes\35684 Gitga'at.docx

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