

MINISTRY OF ABORIGINAL RELATIONS
AND RECONCILIATION
BRIEFING NOTE

Date: May 23, 2014
Ref. No. 34469

File: 280-20

I Prepared for the **INFORMATION** of Steve Munro, Deputy Minister

II ISSUE:

Confirmation of process and accountabilities to advance proposed Government-to-Government agreements with First Nations in the north, including the Carrier Sekani Tribal Council

III BACKGROUND:

A Liquefied Natural Gas (LNG) Capacity Funding Agreement (CFA) was signed with Carrier Sekani Tribal Council (CSTC) and four participating member nations and BC on March 31, 2014. The agreement lays out two streams for future negotiations: (1) LNG benefit negotiations, consistent with the mandated approach, and (2) government-to-government (G2G) agreement negotiations. Milestones for the G2G negotiations include a negotiation funding agreement by July 1, 2014 and a final G2G agreement by March 31, 2015.

A political level protocol effective March 31, 2014 with seven Carrier Sekani First Nations confirms the parties' commitment to work towards reconciliation through agreement on guiding principles, topics for discussion and procedural commitments. The Protocol provides additional commitment respecting the content of a G2G agreement which is noted to include "*elements of shared decision making, revenue-sharing and environmental stewardship*" (Appendix A *CSTC Natural Resources Protocol*). Currently a negotiation mandate for a CSTC G2G agreement is not in place.

As LNG pipeline negotiations advance with other First Nations along the Highway 16 corridor, up to four additional commitments to develop G2G agreements are likely. The potential for new G2G agreements and the attendant resources needed both to develop and implement them, is causing concern with NRS agencies across the province but, particularly in the north given the number of proposed agreements being developed to secure First Nations agreement for LNG projects.

IV DISCUSSION:

The Protocol brings a political level profile and the associated expectations to the negotiation of the G2G agreement with CSTC Nations at a stage when the role of the emerging CSTC Tribal Council structure is not yet proven, is beyond the scope of the TB mandated streamlined process for new Strategic Engagement Agreements (G2G), and raises a number of unique fiscal, social and governance issues that will require policy direction. For these reasons, it is recommended that a specific mandate for a reconciliation agreement for CSTC is sought through the LNG mandating process, and that this occurs prior to substantive negotiations with CSTC on the G2G.

Experience with developing G2G agreements to date has shown that gaining full NRS agency support for the agreements and involving them in issues resolution and in the development of commitments is critical for successful negotiations and implementation. Given the multi-

agency mandate and significant implementation responsibilities it is critical that representatives at different levels of the agencies be involved throughout.

The North region of FLNR has gained significant experience in the implementation of G2G agreements over the last several years. They have also launched internal reviews of the implementation of agreements and are working with MARR staff on several continuous improvement initiatives and policy projects. They have indicated that they will only support new SEAs if they adhere to established policy guidance and build upon best practices.

Further, it is important that the LNG Phase II strategy timelines recognise the need for an incremental approach that includes sufficient time to refine the proposed scope and content of the agreement, to develop policy direction where required and that the mandate lays out achievable milestones towards reconciliation. This information is required to support the mandate request and is expected to take six months.

NEXT STEPS

1. MARR Executive to confirm direction
 - to seek a Reconciliation Agreement mandate for CSTC and any subsequent LNG related G2G mandates through the LNG process
 - planning and negotiations of this and any other LNG related G2G agreements will be led by NROD with the North Regional Director as strategic lead. A draft environmental scan is provided in Appendix B to assist with planning. Responsibilities include obtaining NRS mandate support and providing input to the LNG Phase 2 strategy as appropriate.
2. G2G CFA agreement to conclude by July 2014 for DM sign off. The CFA agreement will set-out the basic scope of G2G negotiations in addition to the negotiation funding (included in the current phase 2 LNG spending plan).
3. The CSTC G2G agreement mandate request will proceed by October 2014, through the LNG strategic mandating process. MARR will follow established procedures for engaging NRS agencies first at the regional level, building support incrementally upward to the NRB. This engagement work will start immediately with view to providing an update for the NRS Board in July to raise any planning/resourcing issue for the north or policy issues requiring Board direction
4. Negotiation plans will commit to apply policy direction consistently and to seek endorsement for exceptions and to the extent possible policy direction will be solidified prior to engaging in negotiations. This approach will ease concerns regarding potential negotiation outcomes and decrease the burden on NRS agency staff to be involved in negotiations.

Appendix A – CSTC Natural Resources Protocol

Appendix B - Environmental Scan; potential new G2G agreements along Hwy 16

Geoff Recknell, Regional Director, 250 847-7535, G:\Negotiations & Regional Operations Division\North Team\280-20 Briefing Notes\Decision Notes\34469 G2G with CSTC May 2014.docx

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Appendix B: Environmental Scan; potential new G2G agreements along Hwy 16

First Nation	Drivers	Economic Drivers	Agency Interests	Other Negotiations	Readiness	Timing
CSTC (Stellaten, Nadleh, Nakazdli, Tlazten, Saikuz)	s.16	LNG	s.16	LNG	If CSTC can confirm 5 FN's, can proceed with G2G	Complete majority of LNG agreement first depending on capacity
Lake Babine		Dome Mine WCGT PNG PRGT CGL Bell Mine		Treaty LNG Dome ECDA	s.16	Complete LNG agreement first
Office of the Wet'suwet'en		PTP CGL PNG Huckleberry		LNG Huckleberry ECDA		LNG first
Gitxsan		Atrum Coal PRGT WCGT		LNG	Secure protocol & resolve representation before tackling SEA. Requires staged approach	LNG first
Nisga'a		Kitsault PRGT WCGT		LNG	Nisga'a ready	

MINISTRY OF ABORIGINAL RELATIONS
AND RECONCILIATION
BRIEFING NOTE

Date: June 23, 2014

File: 280-20

Ref. No. cliff#

- I Prepared for the **INFORMATION** of Steve Munro, Deputy Minister
- II **ISSUE:** Government-to-Government (G2G) negotiations with the Carrier Sekani Tribal Council (CSTC), as part of a Liquefied Natural Gas (LNG) Capacity Funding Agreement.
- III **BACKGROUND:**

RD _____
ADM _____
DM _____

The Province agreed to enter into G2G negotiations with the CSTC, who are representing five of their member Nations as part of an LNG Capacity Agreement, signed March 31, 2014. Although this agreement calls for the parties to concurrently negotiate a G2G and LNG benefit agreement, the Province will take a phased approach to negotiations, with the priority to conclude the LNG agreement first; the parties aim to complete the LNG agreement in 6 months and the G2G agreement in 12 months. The province expects to proceed to Treasury Board and the Natural Resources Board for a funding mandate in the fall of 2014.

IV **DISCUSSION:**

The Provincial vision with the CSTC negotiations is to leverage the G2G agreement to get acceptance for completion of the LNG agreements, and achieve efficiencies through engagement with an aggregation of First Nations, rather than conduct individual band negotiations. Accordingly, the Province has informed CSTC that the G2G negotiation will require an aggregation of no less than 5 of their Member-Nations; no single G2G agreement will be considered.

The CSTC have informed BC that they currently represent five Member-Nations for these negotiations: Nak'azdli Band, Saik'uz First Nation, Stellat'en First Nation, Burns Lake Band (aka Tsil Kaz Koh), and Takla Lake First Nation; the Province has requested Band Council Resolutions as confirmation of representation of these First Nations in the negotiations. At this time CSTC does not have the participation of Nadleh Whut'en and Tl'azten First Nations.

s.16 for LNG negotiations, which included a payment for each band to participate as well as funding for the CSTC to work with each Chief to promote Member-Nation aggregation. The parties are now discussing capacity funding for the G2G negotiations; financial expectations from the CSTC in this regard are high, likely beyond the mandate of the province.

The G2G agreement is expected to address four topic areas for the CSTC First Nations:

Governance/Consultation. CSTC wants to incorporate into the G2G model some kind of forum for dealing with impacts of natural resource activities on their social and cultural climate. Negotiators are proposing to first address governance structures and individual First Nation's capacity, and then will tackle the consultation protocol. The idea is that this approach will comfort the nations that they will get full and fair voice in the proceedings, and will allow each nation to determine how it will represent their rights holders. Similar concepts are being contemplated with the current G2G agreements being negotiated with other First Nations. Negotiators will need to be linked with MARR's Partnerships and Community Renewal Division who are taking the lead on the social and cultural components.

Economic development. The scope of economic development in the G2G includes confirming that process and policies by which each nation improves the economic, political, and social well-being of its people and improvement in the living standards and quality of life for the First Nations, are addressed.

Community development. The focus on community development in the G2G is to seek to improve overall community wellbeing (economic, social, environmental and cultural) by providing First Nation communities with the tools they need to effect change in their own communities. (confirm with PCR)

Environmental stewardship. Actions taken through environmental stewardship in the G2G are intended to realize the responsible use and protection of the natural environment through conservation and sustainable practices.

As a final note, the negotiators have recently become aware that some Chiefs believe that the province has no intention of continuing with G2G negotiations once, or if, an LNG benefits agreement is signed.

V CONCLUSION:

s.16

CSTC CHIEFS TO MINISTERS MEETING – JULY 4, 2014

Carrier Sekani Chiefs and Tribal Council – Natural Resource Protocol

- ADD – opening remarks respecting William decision
- BC committed to working with Carrier Sekani Chiefs and Tribal Council (CSTC) to build our relationship towards reconciliation.
- BC recognizes that environmental and cultural stewardship and community well-being are key CSTC considerations for supporting development.
- The Province recognizes and commends the seven CSTC member First Nations for coming together to seek a path forward that allows both parties to grasp the opportunities presented by the Liquefied Natural Gas (LNG) industry.
- s.16 to CSTC to facilitate negotiation and to reach common ground on LNG.
- The economic opportunity of LNG will provide financial benefits to CSTC. s.16
s.16
- The Province is committed to the collaborative development of the Environmental Stewardship Initiative (ESI)
- Our initial reflections indicate there is alignment between ESI and some of your key priorities. We feel that ESI, as a collaborative mechanism, can pull First Nations, Industry and Governments together on stewardship initiatives and also advance our relationship.
- We've been clear that the ESI proposal is contingent on a partnership between the various levels of Government, with industry and with First Nations. We are working to attract investment into the

ESI from all of these groups, but it will take some momentum to make it happen.

- BC is committed to engaging with CSTC in identifying opportunities to improve Jobs, Skills and Training outcomes for member First Nations.
- The Province is committed to negotiating a Government to Government (G2G) agreement with CSTC as a means to work towards reconciliation and to advance our strategic relationship.
- BC is committed to conclude a G2G Capacity Funding Agreement with CSTC. This is an important stepping stone in confirming both parties intention towards a G2G agreement.
- The G2G Capacity Funding Agreement is targeted at supporting negotiation of a G2G agreement, the capacity support we can offer will reflect that.
- BC is committed to working with CSTC in a phased approach to building capacity to address your priorities. We are committed to first steps that include reaching a natural gas pipeline benefits agreement, capacity funding to negotiate a G2G agreement and engagement on the Environmental Stewardship Initiative and Jobs, Skills and Training.
- BC is committed to working with CSTC in realizing opportunities, like LNG, that can provide jobs, support well-being for your communities and sustain a positive legacy of environmental stewardship for future generations.

MINISTRY OF ABORIGINAL RELATIONS
AND RECONCILIATION
BRIEFING NOTE

File: 280-20

Date: June 26, 2014
Ref. No. cliff#

- I Prepared for the INFORMATION of Minister Rustad
- II ISSUE: Status of Liquefied Natural Gas (LNG) benefit discussion to support Ministers dialogue on July 4th with the Carrier Sekani Chiefs and Tribal Council (CSTC)

III BACKGROUND:

In the course of LNG benefit discussions the Province agreed to engage CSTC Nations as a collective [Nadleh Whut'en, Nak'azdli, Saik'uz, Stellat'en, Takla, Tl'azt'en and Ts'il Kaz Koh (Burns Lake Band)]. s.16

s.16

s.16

Topics to be addressed that would facilitate

CSTC support for LNG includes financial benefits, a Government to Government agreement (G2G), Environmental Stewardship and Jobs, Skills and Training.

IV

DISCUSSION:

At the request of CSTC, BC tabled an aggregate Natural Gas Pipeline benefit offer for all seven member First Nations on June 25th. The financial benefits tabled, encompassing three pipeline projects, s.16

s.16

BC has also engaged CSTC and member First Nations to understand their interests with respect to the environment and stewardship in the context of LNG development and First Nations capacity to benefit from related employment and business opportunities.

CSTC have responded to the financial offer that they want to share in the revenue from the LNG tax in addition to an up-front payment. In addition, their assessment of the offer is that it is not equivalent to the PTP agreement as these new proposed pipelines are much more capital intensive, so the provincial contribution should be higher. The provincial perspective is based on the potential impact of a pipeline which is not related to the capital investment.

CSTC has indicated a strong expectation of commitments from BC, in addition to the financial benefit offer and G2G negotiations, which would address the following areas:
Environmental Stewardship Initiative (ESI) – CSTC has expressed significant interest in discussion with the Province regarding this initiative. They have indicated that the initiative could address stewardship and environmental issues of concern to them, but they require BC to make tangible commitments with regard to the ESI prior to their supporting LNG

development. CSTC has indicated a need for capacity to adequately engage in the development of the ESI.

Jobs, Skills and Training (JST) – CSTC has expressed concern that existing programs have not, and will not, bridge the capacity gap within First Nations. As a result First Nations would be limited in their ability to benefit from the employment and business opportunities of LNG. CSTC has indicated a need for capacity^{s.16} to undertake needs assessments with member First Nations and to have a role in shaping delivery of Jobs, Skills & Training opportunities.

Sociocultural Strategies – Impacts of LNG development on communities' sociocultural well-being has been identified by CSTC as a concern and has indicated a need for capacity to carry out community impact assessments.

CSTC have been clear that their support for pipelines is conditional on BC demonstrating tangible commitment to the other LNG related initiatives (ESI, JST initiative and community socio-cultural strategies). Further, in the absence of these commitments CSTC is looking to have the capacity gaps address through the G2G Capacity Funding Agreement (see BN 34765).

V Key Messages:

1. s.16
- 2.
- 3.
4. BC introduced the Environmental Stewardship Initiative and is committed to incorporating critical interests and values of CSTC and providing a platform where CSTC interests can be met.
5. BC is committed to partnering with CSTC in the collaborative development of the Environmental Stewardship Initiative.
6. s.16 to convene a regional work shop on JST. The objective being to engage CSTC members and other FN's in the PG region to identify immediate and longer term actions on JST.
7. BC is committed to continuing work with CSTC in identifying opportunities to improve Jobs, Skills and Training outcomes for member First Nations.
8. BC will work with CSTC to safeguard sociocultural values.
9. BC is committed to conclude a G2G CFA with CSTC; this funding is targeted at supporting negotiation of a G2G agreement.
10. BC is committed to conclude an LNG Benefit Agreement with CSTC and to the LNG related initiatives.

Attachment: A – BC Benefit Offer

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Appendix A – BC Benefit Offer

June 25, 2014

Carrier Sekani Tribal Council First Nations (Nak'azdli, Stelat'en First Nation, Saik'uz First Nation, Takla Lake First Nation, Ts'il Kaz Koh (Burns Lake), Nadleh Whut'en First Nation, and Tl'azt'en First Nation)

Re: Natural Gas Pipeline Benefit Agreement – Components

1.0 This document sets out the Ministry of Aboriginal Relations and Reconciliation's summary of the main components of a Term Sheet on Natural Gas Pipeline benefits. This outline is provided to you to inform the discussion of the proposed Term Sheet and Natural Gas Pipeline benefits final Agreement ("Agreement") and is not legally binding. A Term Sheet that is not legally binding and an Agreement, that is legally binding, will provide further detail on these components and are subject to all required Provincial and First Nation approvals.

2.0 Parties – Agreement between the Province of BC and Carrier Sekani Tribal Council First Nations ("CSTC").

3.0 Financial Benefits

3.1 Payments are calculated for the listed natural gas pipeline projects.

3.2 Payments of;

- s.16
-
-

Payments for each project will be made in two installments, 50% after commencement of construction of that project and 50% when that project is operational.

4.0 Term Sheet Signing Bonus options:
s.16

5.0 Consultation – Acknowledgement of existing EAO and OGC processes and commitment to participate in those processes, nothing in the Term Sheet or Agreement will prevent CSTC from identifying concerns as part of those processes.

6.0 Certainty Provisions will be referenced in the Term Sheet and finalized in the Agreement. These will include confirmation of support for the pipeline projects, commitment not to litigate with respect to government decisions relating to the projects, acknowledgments regarding the adequacy of consultation and releases from claims related to the projects.

7.0 Representations and Warranties. Province will need to be assured that CSTC has the authority to enter the Agreement and make commitments on behalf of the rights holders within CSTC.

MINISTRY OF ABORIGINAL RELATIONS
AND RECONCILIATION
BRIEFING NOTE


File: 280-20

Date: June 26, 2014
Ref. No. 34765

I Prepared for the INFORMATION of Honourable John Rustad, Minister

II ISSUE:

Information to support a meeting with the Carrier Sekani Chiefs and Tribal Council regarding a proposed government-to-government agreement and capacity funding

RD	III
ADM	✓
DM	

BACKGROUND:

During Liquefied Natural Gas (LNG) benefit discussions, the Province agreed to enter government-to-government (G2G) negotiations with the Carrier Sekani First Nation Chiefs and Tribal Council (CSTC), provided at least five CSTC Nations were prepared to participate.

Thus far, the Province^{s.16} for LNG negotiations and initial G2G negotiations. The parties have agreed to conclude a G2G Capacity Funding Agreement (CFA) by July 2014. The CFA will establish the scope of negotiations and provide further capacity funding to support CSTC participation G2G negotiations that would continue following conclusion of the LNG benefit agreement negotiations. Currently all seven CSTC Nations are negotiating as an aggregate: Nadleh Whut'en, Nak'azdli, Saik'uz, Stellat'en and Takla, Tl'azt'en and Ts'il Kaz Koh (Burns Lake Band).

IV DISCUSSION:

The Province's commitment to negotiate a G2G agreement is viewed by CSTC as a key factor in determining their support for LNG. The proposed G2G CFA, currently in discussion between the parties, can provide the means to demonstrate that commitment. Currently at issue is the amount of funding that may be provided through that agreement. Expectations from the CSTC in this regard are high^{s.16}, likely beyond the mandate of the Province. CSTC is expecting the G2G CFA to also fund their participation in the implementation of LNG-related projects Environmental Stewardship Initiatives (ESI), skills training initiative, community socio/cultural strategies), because these initiatives do not yet have firm commitments or associated capacity funding.

Proposed elements of the G2G Agreement are:

- **Governance/Shared Decision Making:** CSTC Nation aggregation will achieve efficiencies by engagement through a single window rather than through individual bands. A framework for shared decision making will seek an efficient, streamlined

consultation process that provides predictable timelines consistent with the Strategic Engagement Agreement (SEA) model.

- **Economic Development:** The Province will rely upon provincial revenue sharing policy, but may also consider new opportunities to increase CSTC participation in resource based sectors such as forestry.
- **Community Development/Well Being:** Negotiations will consider the socio-cultural working model (Tahltan) that promotes proactive strategies to address potential community impacts from increased resource development in the First Nations' territory.
- **Environmental Stewardship:** This is proposed to include discussion on specific measures to conserve areas important for exercise of Aboriginal rights and cultural practices, but will not include formal protection (new parks) or land use planning. There is also an opportunity to develop linkages to the provincial ESI.

A phased approach is also proposed for negotiation of the G2G agreement that allows both Parties to demonstrate incremental progress. Phase 1 is proposed to address governance, including administrative structures to establish a 'single window/clearing house' for all engagement with CSTC participating Nations. This will allow each nation to determine how it will represent their rights holders. In Phase 2, the Parties will develop a detailed consultation and engagement framework and other strategies to support economic/community development and environmental stewardship.

From a policy perspective, the proposed scope of the agreement is consistent with a Reconciliation Agreement. This will require a specific negotiation mandate from government prior to initiating substantive negotiation and will include full Natural Resource Sector agency engagement.

V Key Messages:

1. The Province is committed to negotiate a G2G agreement with CSTC as a means to work towards reconciliation and to advance our strategic relationship.
2. The G2G CFA is an important stepping-stone in confirming both parties intention towards a G2G agreement.
3. The LNG benefits agreements will be completed first, as jointly committed in our initial CFA.
4. Capacity funding expectations need to be consistent with provincial fiscal policy and reflective of the anticipated negotiation work^{s.16}
5. The Province supports a phased approach that allows each of the parties to incrementally work towards certainty and demonstrating early success with their respective constituents (e.g. framework agreement with Tahltan).
6. The G2G agreement can be linked to, but not duplicating or replacing, CSTC/provincial initiatives on social programs.

CSTC CHIEFS TO MINISTERS MEETING – JULY 14, 2014

Carrier Sekani Chiefs and Tribal Council – Natural Resource Protocol

William

- As you are aware, the recent Supreme Court of Canada's decision on the William case provides additional certainty around processes and tests that are applied to the relationship between the Province and Aboriginal peoples.
- We are taking the time required to fully analyze the decision and determine next steps.
- As we move forward, we continue to be committed to working with First Nations and industry.
- We want to build positive and lasting relationships with Aboriginal people and work with them on the social and economic issues in their communities.
- We are committed to achieving reconciliation through negotiations rather than litigation and confrontation.
- We know that successful reconciliation produces long-term social, economic and cultural benefits for all British Columbians.
- We are committed to fulfilling obligations to consult and accommodate in respect of unproven rights and title claims.

CSTC

- BC committed to working with Carrier Sekani Chiefs and Tribal Council (CSTC) to build our relationship towards reconciliation.
- BC recognizes that environmental and cultural stewardship and community well-being are key CSTC considerations for supporting development.

- The Province recognizes and commends the seven CSTC member First Nations for coming together to seek a path forward that allows both parties to grasp the opportunities presented by the Liquefied Natural Gas (LNG) industry.
- The Province has^{s.16} to facilitate negotiation and to reach common ground on LNG.
- The economic opportunity of LNG will provide financial benefits to CSTC.^{s.16}

s.16

- The Province is committed to the collaborative development of the Environmental Stewardship Initiative (ESI)
- Our initial reflections indicate there is alignment between ESI and some of your key priorities. We feel that ESI, as a collaborative mechanism, can pull First Nations, Industry and Governments together on stewardship initiatives and also advance our relationship.
- We've been clear that the ESI proposal is contingent on a partnership between the various levels of Government, with industry and with First Nations. We are working to attract investment into the ESI from all of these groups, but it will take some momentum to make it happen.
- BC is committed to engaging with CSTC in identifying opportunities to improve Jobs, Skills and Training outcomes for member First Nations.
- The Province is committed to negotiating a Government to Government (G2G) agreement with CSTC as a means to work towards reconciliation and to advance our strategic relationship.



- BC is committed to conclude a G2G Capacity Funding Agreement with CSTC. This is an important stepping stone in confirming both parties intention towards a G2G agreement.
- The G2G Capacity Funding Agreement is targeted at supporting negotiation of a G2G agreement, the capacity support we can offer will reflect that.
- BC is committed to working with CSTC in a phased approach to building capacity to address your priorities. We are committed to first steps that include reaching a natural gas pipeline benefits agreement, capacity funding to negotiate a G2G agreement and engagement on the Environmental Stewardship Initiative and Jobs, Skills and Training.
- BC is committed to working with CSTC in realizing opportunities, like LNG, that can provide jobs, support well-being for your communities and sustain a positive legacy of environmental stewardship for future generations.

MINISTRY OF ABORIGINAL RELATIONS
AND RECONCILIATION
BRIEFING NOTE

Date: June 26, 2014

Ref# 34777

File: 280-20

- I Prepared for the INFORMATION of Minister Rustad
- II ISSUE: Status of Liquefied Natural Gas (LNG) benefit discussion to support Ministers dialogue on July 4th with the Carrier Sekani Chiefs and Tribal Council (CSTC)

III BACKGROUND:

In the course of LNG benefit discussions the Province agreed to engage CSTC Nations as a collective [Nadleh Whut'en, Nak'azdli, Saik'uz, Stellat'en, Takla, Tl'azt'en and Ts'il Kaz Koh (Burns Lake Band)]. s.16

s.16

s.16

Topics to be addressed that would facilitate

CSTC support for LNG includes financial benefits, a Government to Government agreement (G2G), Environmental Stewardship and Jobs, Skills and Training.

IV DISCUSSION:

At the request of CSTC, BC tabled an aggregate Natural Gas Pipeline benefit offer for all seven member First Nations on June 25th. The financial benefits tabled, encompassing three pipeline projects, s.16

s.16

BC has also engaged CSTC and member First Nations to understand their interests with respect to the environment and stewardship in the context of LNG development and First Nations capacity to benefit from related employment and business opportunities.

CSTC have responded to the financial offer that they want to share in the revenue from the LNG tax in addition to an up-front payment. In addition, their assessment of the offer is that it is not equivalent to the PTP agreement as these new proposed pipelines are much more capital intensive, so the provincial contribution should be higher. The provincial perspective is based on the potential impact of a pipeline which is not related to the capital investment.

CSTC has indicated a strong expectation of commitments from BC, in addition to the financial benefit offer and G2G negotiations, which would address the following areas:
Environmental Stewardship Initiative (ESI) – CSTC has expressed significant interest in discussion with the Province regarding this initiative. They have indicated that the initiative could address stewardship and environmental issues of concern to them, but they require BC to make tangible commitments with regard to the ESI prior to their supporting LNG

development. CSTC has indicated a need for capacity to adequately engage in the development of the ESI.

Jobs, Skills and Training (JST) – CSTC has expressed concern that existing programs have not, and will not, bridge the capacity gap within First Nations. As a result First Nations would be limited in their ability to benefit from the employment and business opportunities of LNG. CSTC has indicated a need for capacity¹⁶ to undertake needs assessments with member First Nations and to have a role in shaping delivery of Jobs, Skills & Training opportunities.

Sociocultural Strategies – Impacts of LNG development on communities' sociocultural well-being has been identified by CSTC as a concern and has indicated a need for capacity to carry out community impact assessments.

CSTC have been clear that their support for pipelines is conditional on BC demonstrating tangible commitment to the other LNG related initiatives (ESI, JST initiative and community socio-cultural strategies). Further, in the absence of these commitments CSTC is looking to have the capacity gaps address through the G2G Capacity Funding Agreement (see BN 34765).

V Key Messages:

1. s.16 to support CSTC participation in LNG negotiations.
2. s.16
- 3.
4. BC introduced the Environmental Stewardship Initiative and is committed to incorporating critical interests and values of CSTC and providing a platform where CSTC interests can be met.
5. BC is committed to partnering with CSTC in the collaborative development of the Environmental Stewardship Initiative.
6. BCs.16 to convene a regional work shop on JST. The objective being to engage CSTC members and other FN's in the PG region to identify immediate and longer term actions on JST.
7. BC is committed to continuing work with CSTC in identifying opportunities to improve Jobs, Skills and Training outcomes for member First Nations.
8. BC will work with CSTC to safeguard sociocultural values.
9. BC is committed to conclude a G2G CFA with CSTC; this funding is targeted at supporting negotiation of a G2G agreement.
10. BC is committed to conclude an LNG Benefit Agreement with CSTC and to the LNG related initiatives.

Attachment: A – BC Benefit Offer

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Appendix A – BC Benefit Offer

June 25, 2014

Carrier Sekani Tribal Council First Nations (Nak'azdli, Stelat'en First Nation, Saik'uz First Nation, Takla Lake First Nation, Ts'il Kaz Koh (Burns Lake), Nadleh Whut'en First Nation, and Tl'azt'en First Nation)

Re: Natural Gas Pipeline Benefit Agreement – Components

1.0 This document sets out the Ministry of Aboriginal Relations and Reconciliation's summary of the main components of a Term Sheet on Natural Gas Pipeline benefits. This outline is provided to you to inform the discussion of the proposed Term Sheet and Natural Gas Pipeline benefits final Agreement ("Agreement") and is not legally binding. A Term Sheet that is not legally binding and an Agreement, that is legally binding, will provide further detail on these components and are subject to all required Provincial and First Nation approvals.

2.0 Parties – Agreement between the Province of BC and Carrier Sekani Tribal Council First Nations ("CSTC").

3.0 Financial Benefits

3.1 Payments are calculated for the listed natural gas pipeline projects.

3.2 Payments of;

- s.16
-
-

Payments for each project will be made in two installments, 50% after commencement of construction of that project and 50% when that project is operational.

4.0 Term Sheet Signing Bonus options:

s.16

5.0 Consultation – Acknowledgement of existing EAO and OGC processes and commitment to participate in those processes, nothing in the Term Sheet or Agreement will prevent CSTC from identifying concerns as part of those processes.

6.0 Certainty Provisions will be referenced in the Term Sheet and finalized in the Agreement. These will include confirmation of support for the pipeline projects, commitment not to litigate with respect to government decisions relating to the projects, acknowledgments regarding the adequacy of consultation and releases from claims related to the projects.

7.0 Representations and Warranties. Province will need to be assured that CSTC has the authority to enter the Agreement and make commitments on behalf of the rights holders within CSTC.

MINISTRY OF ABORIGINAL RELATIONS
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Date: June 26, 2014
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- I Prepared for the INFORMATION of Minister Rustad
- II ISSUE: Status of Liquefied Natural Gas (LNG) benefit discussion to support Ministers dialogue on July 4th with the Carrier Sekani Chiefs and Tribal Council (CSTC)

III BACKGROUND:

In the course of LNG benefit discussions the Province agreed to engage CSTC Nations as a collective [Nadleh Whut'en, Nak'azdli, Saik'uz, Stellat'en, Takla, Tl'azt'en and Ts'il Kaz Koh (Burns Lake Band)]. s.16

s.16

s.16

Topics to be addressed that would facilitate

CSTC support for LNG includes financial benefits, a Government to Government agreement (G2G), Environmental Stewardship and Jobs, Skills and Training.

IV DISCUSSION:

At the request of CSTC, BC tabled an aggregate Natural Gas Pipeline benefit offer for all seven member First Nations on June 25th. The financial benefits tabled, encompassing three pipeline projects, s.16

s.16

BC has also engaged CSTC and member First Nations to understand their interests with respect to the environment and stewardship in the context of LNG development and First Nations capacity to benefit from related employment and business opportunities.

CSTC have responded to the financial offer that they want to share in the revenue from the LNG tax in addition to an up-front payment. In addition, their assessment of the offer is that it is not equivalent to the PTP agreement as these new proposed pipelines are much more capital intensive, so the provincial contribution should be higher. The provincial perspective is based on the potential impact of a pipeline which is not related to the capital investment.

CSTC has indicated a strong expectation of commitments from BC, in addition to the financial benefit offer and G2G negotiations, which would address the following areas:
Environmental Stewardship Initiative (ESI) – CSTC has expressed significant interest in discussion with the Province regarding this initiative. They have indicated that the initiative could address stewardship and environmental issues of concern to them, but they require BC to make tangible commitments with regard to the ESI prior to their supporting LNG

development. CSTC has indicated a need for capacity to adequately engage in the development of the ESI.

Jobs, Skills and Training (JST) – CSTC has expressed concern that existing programs have not, and will not, bridge the capacity gap within First Nations. As a result First Nations would be limited in their ability to benefit from the employment and business opportunities of LNG. CSTC has indicated a need for capacity^{s.16} to undertake needs assessments with member First Nations and to have a role in shaping delivery of Jobs, Skills & Training opportunities.

Sociocultural Strategies – Impacts of LNG development on communities' sociocultural well-being has been identified by CSTC as a concern and has indicated a need for capacity to carry out community impact assessments.

CSTC have been clear that their support for pipelines is conditional on BC demonstrating tangible commitment to the other LNG related initiatives (ESI, JST initiative and community socio-cultural strategies). Further, in the absence of these commitments CSTC is looking to have the capacity gaps address through the G2G Capacity Funding Agreement (see BN 34765).

V Key Messages:

1. s.16
- 2.
- 3.
4. BC introduced the Environmental Stewardship Initiative and is committed to incorporating critical interests and values of CSTC and providing a platform where CSTC interests can be met.
5. BC is committed to partnering with CSTC in the collaborative development of the Environmental Stewardship Initiative.
6. BC^{s.16} to convene a regional work shop on JST. The objective being to engage CSTC members and other FN's in the PG region to identify immediate and longer term actions on JST.
7. BC is committed to continuing work with CSTC in identifying opportunities to improve Jobs, Skills and Training outcomes for member First Nations.
8. BC will work with CSTC to safeguard sociocultural values.
9. BC is committed to conclude a G2G CFA with CSTC; this funding is targeted at supporting negotiation of a G2G agreement.
10. BC is committed to conclude an LNG Benefit Agreement with CSTC and to the LNG related initiatives.

Attachment: A – BC Benefit Offer

Ian Hollingshead, SRCO, 250-565-6417, File path: J:\FNID\Omineca\ARCS\100-499 ADMINISTRATION\280 Executive Services_General\280-20 Briefing Notes\2014\Working Drafts\BNI_CSTC_LNG_STATUS_MJR

Appendix A – BC Benefit Offer

June 25, 2014

Carrier Sekani Tribal Council First Nations (Nak'azdli, Stelat'en First Nation, Saik'uz First Nation, Takla Lake First Nation, Ts'il Kaz Koh (Burns Lake), Nadleh Whut'en First Nation, and Tl'azt'en First Nation)

Re: Natural Gas Pipeline Benefit Agreement – Components

1.0 This document sets out the Ministry of Aboriginal Relations and Reconciliation's summary of the main components of a Term Sheet on Natural Gas Pipeline benefits. This outline is provided to you to inform the discussion of the proposed Term Sheet and Natural Gas Pipeline benefits final Agreement ("Agreement") and is not legally binding. A Term Sheet that is not legally binding and an Agreement, that is legally binding, will provide further detail on these components and are subject to all required Provincial and First Nation approvals.

2.0 Parties – Agreement between the Province of BC and Carrier Sekani Tribal Council First Nations ("CSTC").

3.0 Financial Benefits

3.1 Payments are calculated for the listed natural gas pipeline projects.

3.2 Payments of;

○ s.16

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Payments for each project will be made in two installments, 50% after commencement of construction of that project and 50% when that project is operational.

4.0 Term Sheet Signing Bonus options:

s.16

5.0 Consultation – Acknowledgement of existing EAO and OGC processes and commitment to participate in those processes, nothing in the Term Sheet or Agreement will prevent CSTC from identifying concerns as part of those processes.

6.0 Certainty Provisions will be referenced in the Term Sheet and finalized in the Agreement. These will include confirmation of support for the pipeline projects, commitment not to litigate with respect to government decisions relating to the projects, acknowledgments regarding the adequacy of consultation and releases from claims related to the projects.

7.0 Representations and Warranties. Province will need to be assured that CSTC has the authority to enter the Agreement and make commitments on behalf of the rights holders within CSTC.