



May 6, 2019

Att: Jacquie Bastick, Impact Assessment Specialist
Parks Canada, Natural Resource Conservation Branch
2 County Rd. 5
Mallorytown, ON K0E 1R0
By email to: jacquie.bastick@canada.ca

Dear Ms. Bastick,

Re: Preliminary Screening for Thaidene Nënë National Park Reserve, NWT

The NWT & Nunavut Chamber of Mines (Chamber) is writing this to respond to the preliminary screening that your agency is conducting in accordance with the *Mackenzie Valley Resource Management Act* (MVRMA) for the development: “*Establishment of Thaidene Nënë National Park Reserve of Canada*”. We thank you for extending the time to respond to the screening to May 6.

We support the development of new national parks and recognize the important role they play in representing nationally significant examples of Canada’s natural and cultural heritage, and in particular, maintaining healthy, diverse and whole ecoregions throughout the country.

However, the minerals industry and its beneficiaries rely on access to land for exploration and development. Therefore, when large areas of land, whether as parks, sanctuaries or other protected areas, are proposed to be made unavailable for economic development, we believe it is incumbent on governments to utilize diligent, open and transparent processes in determining and evaluating the consequences of such action.

Whilst the Chamber is supportive of the concept of the establishment of the Thaidene Nënë park, with this letter we are formally expressing our significant “public concern” over the Thaidene Nënë development process based on procedural and substantive concerns described herein. We ask that Parks Canada refer the proposal to the Mackenzie Valley Review Board for an environmental assessment, where a more fulsome review of all aspects of the development can be reviewed and mitigated.

As indicated in your notification, a preliminary screening is required because section 124(2) of the MVRMA stipulates that developments proposed by federal agencies, including establishment of a park subject to the *Canada National Parks Act*, must be reviewed by preliminary screening.

We understand that under clause 125(1) of the MVRMA, in conducting such a preliminary screening, Parks Canada is to:

- a) *determine and report to the Review Board whether, in its opinion, the development might have a significant adverse impact on the environment or might be a cause of public concern; and*
- b) *where it so determines in the affirmative, refer the proposal to the Review Board for an environmental assessment.*

We represent a significant and important part of the northern public that participates in, relies on and benefits from the minerals industry for its economic well-being. Our direct membership numbers nearly 400, representing over 3,000 workers – Indigenous and non-Indigenous – directly employed in our industry, along with many additional businesses with their hundreds of employees that rely on the minerals industry. The minerals industry is the largest private sector industry in the Northwest Territories (NWT), and is the largest private sector employer of Indigenous northerners. Mineral development benefits today are significantly important to the economic well-being of all northerners and the territory.

Benefits arising from the NWT minerals industry over the past 21 years include:

- 60,000 person-years of employment, approximately half northern and half of those Indigenous workers;
- Over \$20 billion in business expenditures, of which 70% is northern; an unprecedented \$6 billion has been with Indigenous business;
- Well over \$100 million to communities in various impact and benefit agreements, in scholarships, and corporate social responsibility contributions; and
- Billions of dollars in various taxes and royalties which are now being shared with Indigenous governments across the Northwest Territories in constitutionally entrenched land claim agreements and under the devolution royalty sharing agreement.
- The minerals industry directly contributes approximately 35% of the gross domestic product of the NWT. This percentage is even higher when indirect benefits to other sectors of the economy are taken into account.
- The NWT Government (GNWT) reports that, “In the past three years, diamond mines have contributed 41 percent of the GNWT’s corporate income, fuel, property, and payroll tax revenue.”¹ If Federal transfer payments were not included, the mining industry’s contributions would increase significantly to the majority of the GNWT’s income.
- Mineral exploration contributes many millions more in investment annually, supports additional employment and business benefits, and is a key component of a sustainable minerals industry.
- The minerals industry plays an important role in furthering Indigenous reconciliation in the NWT. As in Canada, the NWT mineral industry is largest private sector employer of Indigenous northerners.

The NWT is currently realizing a prolonged period of poor investor confidence and the Chamber believes that the process followed in creating Thaidene Nëné is not contributing to increase this confidence. The Chamber and its members are very concerned that, as proposed, the Thaidene

¹ The Good of Mining: Revenues for Public Benefits, 2019: <https://www.iti.gov.nt.ca/en/newsroom/good-mining-revenues-public-benefits>

Nënë development has the potential to negatively affect the economic well-being of residents and communities in the entire NWT. We have been actively submitting our concerns with this proposed development over the last several years but have found they have been either ignored or disregarded. As a result, we continue to have significant and substantive concerns, both procedural and with the content of the proposed development. We therefore recommend that the proposed development be referred to an environmental assessment.

Procedural concerns with the proposed development include:

- Contrary to methods used to define previous northern national park reserves, e.g., Naats'ihch'oh, alternative park boundaries were not shared with the public for their comment and consideration. Final boundaries were negotiated and established by Parks Canada with the GNWT behind closed doors and announced as a done deal without any ability for the public to comment or suggest changes.
- Insufficient money was invested in the Mineral & Energy Resource Assessment (MERA) to evaluate the economic potential that would be lost in removing such a significantly large area from development. The Chamber believes this underfunding has resulted in an inadequate assessment.
- There is no evidence of an energy assessment being conducted and provided for hydropower under the MERA. As a result, the NWT's third most attractive and natural hydropower development opportunity, the Lockhart River system, was ignored. Ignoring discussion of this significant alternative, non-carbon based power development option represents the loss of a significant economic and environmental opportunity to the north and future generations as well as hampering the NWT's ability to reduce greenhouse gas emissions in future.
- Discussions between the GNWT and Canada resulted in the proposed National Park Reserve being reduced to 14,000 sq.km. However, given the negotiation details are not public, from the outside it appears they were only able to do so by committing to the creation of a territorial park that essentially mirrors Parks Canada's initial intent to close the much larger area of 26,500 sq.km to future potential resource development.
- Much of the consensus building in support of the current park proposal has been with members of the public who do not live in the North. Parks Canada's consultation and engagement report documents responses from many southern residents, who admitted they have never been to the north, and know little of the Territory. Presumably these respondents also know little of the state of the North's environment or economy, nor the detrimental impact that land withdrawals of this magnitude could have on economic opportunities for future generations of Northern citizens. Nor will they understand the unique and extensive environmental protections provided by the MVRMA. We are concerned that support expressed for the current park proposal has relied on an over-weighting of the views of southern observers compared to the more relevant views of northern residents.

Our substantive concerns with the proposed development include:

- The tens of thousands of square kilometres being proposed for closure to development in Thaidene Nene and arising from Parks Canada's work equals the areas of Vancouver Island, or that of Great Slave Lake, the tenth largest lake in the world. This will have significant negative economic effects to the NWT. Professional geologists familiar with

the region have confirmed that high mineral potential was glossed over in the MERA, including potential for minerals such as cobalt and lithium, important to the development of the low carbon, green economy, with low greenhouse gas emitting power generation and power storage technologies. As a result, the MERA is an inaccurate resource assessment of this exceptionally large area of the NWT.

- The benefits of resource development royalties in the NWT today are shared across the Territory. For example, royalties from diamond mining in the Tlicho-Akaiicho regions are shared with the Gwich'in and Sahtu regions, much farther away. We find no evidence of any economic studies on these potential economic losses to all residents of the NWT by the removal of such a significantly large area from future mineral and energy development.
- We are unaware of any analysis or trade-off study of the economic impacts of Thaidene Nënë versus potential mineral development. A business case² conducted by the Lutsel K'e Dene First Nation revealed very small economic returns through employment and capital infrastructure investments - returns that are orders of magnitude smaller than those created by potential mineral development. For example, the effects of just one year of operations of a diamond mine would exponentially exceed multi-year benefits of the park as calculated by Lutsel K'e. We are unaware of any discussion or study led by Parks Canada, GNWT or any other government agency on the economic trade-offs of establishing Thaidene Nënë park as proposed versus keeping land open for potential responsible mineral resource development. Perhaps the lack of such study or discussion is a function of the inadequate MERA and thus illustrates the need for a more extensive MERA to better inform the consultations and decisions.
- There has been no public discussion of alternative land access options, combined with a smaller park area that could better balance cultural and economic objectives, while guaranteeing the preservation of indigenous rights. We do not believe that establishment of a conservation economy and responsible mineral development are mutually exclusive endeavours.
- It is our understanding there may be financing arrangements contemplated by private interests and Parks Canada as part of, or tied to, establishment of the Thaidene Nënë Park. Considering such financing arrangements would clearly represent an economic impact of the park development, full public disclosure of details should be required.
- Environment and economy are not being balanced. The area east of the proposed Thaidene Nënë Park is already subject to the closure of significant areas to mineral exploration and development, including approximately 18,000 sq km of mineral prospective land in the nearby Upper Thelon watershed, approximately 62,000 sq km of lands under interim withdrawal for the Akaiicho Land Claim settlement, and 55,000 sq km of lands already closed to resource development in the neighbouring Thelon Wildlife Sanctuary, the largest such sanctuary in Canada. When combined with the proposed Thaidene Nënë Park area, these closures total in excess 165,000 sq km of land where potential mineral and other economic development is presently prohibited. There has been no public discussion on potential economic impact of some of these withdrawn lands. This is contrary to the NWT Government's *Land Use and Sustainability*

² THAIDENE NENE –LAND OF OUR ANCESTORS BUSINESS CASE, Prepared by: Cathy Wilkinson, On behalf of: Lutsel K'e Dene First Nation, April 2013; <http://landoftheancestors.ca/wp-content/uploads/2014/04/Business-case-FINAL-with-maps-April-2013-title.pdf>

*Framework*³ which commits GNWT to ensure that “*Land-management decisions consider ecological, social, cultural and economic values to ensure maximum benefits to current and future generations.*”

- Parks Canada has refused to consider industrial corridors for transportation, power or fibre optic communications, through the proposed Thaidene Nënë Park area to allow for access to significant mineral potential in the southeast portion of the NWT. The loss of this access is of great concern as it may effectively prevent future economic development in an area much larger than the proposed park.
- We also note Parks Canada has applied an inconsistent approach with respect to corridors through parks. In their *Development Description*⁴, Parks Canada has stated that a corridor for industrial use is not permitted under the *Canada National Parks Act*. Yet Nahanni Park has a corridor to the Prairie Creek mine development, and Ukkusiksalik park in Nunavut was established with consideration for a corridor through the park to high mineral potential lands beyond to ensure future economic opportunities.
- Further, we are unaware of any detailed discussion of navigable waterways that are a federal responsibility, through the lake portion of Thaidene Nënë park.
- Allowance for float planes to use Ft. Reliance as they have historically done for industrial (e.g., exploration) purposes is not allowed. As per Parks Canada’s *Development Description*, the only allowance for floatplanes is for park visits. This will further affect exploration activities to the east and southeast beyond the park. These issues have been raised but are absent from Parks Consultation & Engagement Report.
- An additional concern raised by our members is that the proponent of the park development is also the Preliminary Screener, creating a reasonable apprehension of bias and potential for a perceived conflict of interest. While we understand that the MVRMA allows for this, this adds additional concern given the lack of transparency and the various concerns outlined above.

Our members are well versed in preliminary screenings of development projects. They observe that the level of detail and the transparency that they are required to provide, for what are often much, much smaller development proposals, far exceeds what they have witnessed with the proposed Thaidene Nënë development. This is creating the impression that there is a double standard at work: one for industry development and one for park development.

We very much understand the community’s interest in having a national park development from which they can benefit. We also understand Parks Canada’s interest in advancing this national park reserve. It is important that northerners and other public have comfort that a full, fair and transparent process has been used in proposing the establishment of this park. More fulsome and transparent consideration of economic values will allow for a land management decision that ensures maximum benefits to current and future generations of residents in the NWT and Canada.

³ NORTHERN LANDS NORTHERN LEADERSHIP, The GNWT Land Use and Sustainability Framework, <https://www.lands.gov.nt.ca/en/land-use-and-sustainability-framework-0>

⁴ A Proposal to Establish Thaidene Nënë National Park Reserve of Canada: Development Description; http://reviewboard.ca/sites/default/files/ps/development_description_thaidene_nene_establishment_0.pdf

Therefore, on behalf of our many members, we ask that Parks Canada refer the Thaidene Nënë development proposal to the Review Board for an environmental assessment, where a more open review of all aspects of the development can be evaluated by northern residents under the MVRMA.

We ask that this environmental assessment provide:

- A fair and open and unbiased process that matches the rigour which other northern developments must undergo;
- A review of the adequacy of the MERA that was conducted, including missing assessment of low carbon, green energy minerals which are in increasing demand, and the omission of low carbon hydro-energy; and that the MERA accepts input from northern stakeholders, particularly the resource industry;
- A more fulsome analysis and discussion of the economic implications of the proposed park;
- Reconsideration of an infrastructure corridor for future economic developments in the southeastern NWT given that corridors have been allowed in other parks; and
- Full public disclosure of any financial arrangements, both private and public, tied to the establishment of Thaidene Nënë.

Yours truly,

NWT & NUNAVUT CHAMBER OF MINES


Gary Vivian
President

c.c.: Ms. Joanne Deneron, Chair, Mackenzie Valley Review Board; Mark Cliffe-Phillips, Executive Director, Mackenzie Valley Review Board; Hon. Bob McLeod, Premier of the Northwest Territories; Hon. Wally Schumann, NWT Minister, Industry, Tourism & Investment; Hon. Lou Sebert, NWT Minister, Lands; Hon. R.C. McLeod, NWT Minister, Environment & Natural Resources; Hon. Catherine McKenna, Minister of Environment & Climate Change Canada; Chief Darryl Marlowe, Lutsel K'e Dene First Nation; Chief Edward Sangris, YK Dene First Nation; Chief Ernest Betsina, YK Dene First Nation; Garry Bailey, Northwest Territory Métis Nation; Chief Louis Balsillie, Deninu K'ue First Nation; Bill Enge, President, North Slave Metis Alliance; Grand Chief George Mackenzie, Tlicho Government; Hon. Amarjeet Sohi, Minister of Natural Resources Canada; Hon. Marc Garneau, Minister of Transport Canada; Michael McLeod, Member of Parliament for the Northwest Territories; Cathy McLeod, MP and Conservative Critic for Indigenous and Northern Affairs; Shannon Stubbs, MP and Conservative Critic for Natural Resources; Edward Fast, MP and Conservative Critic for Environment; Felix Lee, President of the Prospectors & Developers Association of Canada; Pierre Gratton, President of The Mining Association of Canada