



June 3, 2019

Att: Michelle Swallow
Manager, Conservation Planning
GNWT – Environment & Natural Resource
P.O. Box 1320
Yellowknife, NT X1A 2L9
By email to: conservationplanning@gov.nt.ca

Dear Ms. Swallow,

Re: Preliminary Screening for Establishment of the Territorial Protected Area of Thaidene Nënë under the Proposed Protected Areas Act

The NWT & Nunavut Chamber of Mines (Chamber) is writing to respond to the preliminary screening that the Government of the Northwest Territories (GNWT) is conducting through your department in accordance with the *Mackenzie Valley Resource Management Act* (MVRMA) for the following development: *Establishment of the Territorial Protected Area of Thaidene Nënë under the Proposed Protected Areas Act*.

We support the development of protected areas and recognize the important role they play in representing significant examples of the Northwest Territories (NWT) natural and cultural heritage, and in particular, maintaining healthy, diverse and whole ecoregions throughout the country.

However, the success of the minerals industry to provide benefits to the NWT and its residents relies 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 removed from non-renewable resource development, we believe it is incumbent on governments to utilize diligent, open and transparent processes in determining and evaluating the consequences of such action. It is government's responsibility to act in the public interest and to evaluate all the social and economic impacts of these decisions with a focus on opportunity costs.

Under section 111(1) of the MVRMA, a territorial park is to be considered a "development." It is our understanding and expectation that your preliminary screening will consider Thaidene Nënë like other developments, with strong attention to transparency, diligence and a full understanding of all of its impacts. These would not be limited to environmental impacts, but also to the impacts on the "economic well-being of residents and communities in the Mackenzie Valley" as required under the MVRMA.

To this end, with this letter we are formally expressing our significant “public concern” over the Thaidene Nëné development process based on procedural and substantive concerns described herein, and we ask that GNWT 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.

For background and perspective, our Chamber represents 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 corporate and individual 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 thousands of employees that rely on the NWT minerals industry. The minerals industry is the largest private sector industry in the NWT, and is the largest private sector employer of Indigenous northerners.

Minerals industry benefits today have grown significantly important to the economic well-being of all northerners and the territory and are well described in the recent publication tabled by the Minister of Industry, Tourism and Investment.¹ Over the past 21 years, these benefits include:

- 60,000 person-years of employment, approximately half northern and half of those Indigenous workers;
- Over \$21 billion in business expenditures, of which 70% is northern, and an unprecedented \$6.4 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 over 37% 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. For example, every direct job in diamond mining generates 2.8 other indirect jobs in the NWT.
- The NWT Government (GNWT) reports that, over the past three years to 2018, diamond mines have contributed 44 percent of the GNWT’s tax revenue, through corporate, property, fuel, and payroll taxes.” 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 the largest private sector employer of Indigenous northerners.

Of great importance to the discussion is that all of these significant mining benefits has come from a land footprint of less than 0.005% of the NWT. And this tiny footprint will be reclaimed

¹ Government of the Northwest Territories: *2018 Socio-Economic Agreement Report, for diamond mines operating in the Northwest Territories*: https://www.assembly.gov.nt.ca/sites/default/files/td_432-183_1_0.pdf

by the mining companies once their work is completed. The public should be informed of the magnitude of the consequences of removing tens of thousands of square kilometres in parks as part of a fulsome analysis and discussion. Unfortunately, no such studies were done and shared with the public in advancing either of the huge Thaidene Nënë territorial protected area and federal park.

The NWT is currently realizing a prolonged period of poor investor confidence and the Chamber believes that the process followed in advancing the Thaidene Nënë parks (National and Territorial) is not contributing to increasing this confidence. The Chamber and its members are very concerned that, as proposed, the Thaidene Nënë development has the potential to negatively affect the economic well-being of residents and communities in the entire NWT and will reduce the economic opportunities for generations to come. We have been actively submitting our concerns with this proposed development over the last several years but have found they have not been taken into consideration, especially as other current Federal legislation such as Conservation 2020 seeks to withdraw further prospective lands in Canada's north without considering the economic sustainability of the territory's people and communities. 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:

- The Territorial candidate area was created in an unusual fashion. Whereas other candidate protected areas were advanced through the Protected Areas Strategy, the Thaidene Nënë Territorial Protected Area emerged from confidential discussions between the GNWT and Parks Canada. No boundary options were shared with the public for comment and consideration, as was done with Naats'ihch'oh Park, rather were negotiated and established by GNWT and Parks Canada behind closed doors. The NWT's Minister of the Environments simply announced the boundaries as complete and provided the public with no ability to suggest changes.
- The GNWT did not conduct a mineral and energy resource assessment of the candidate protected area to evaluate the economic potential that would be lost in removing such a significantly large area from development. Rather, GNWT relied on the Mineral & Energy Resource Assessment (MERA) that Parks Canada had conducted over the candidate areas. This MERA was insufficiently funded for such a large area, and has resulted in an inadequate resource assessment.
- 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 both the territorial and federal Thaidene Nënë parks has been by Parks Canada 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 NWT. 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 and protected area proposals has relied on an over-weighting of the views of southern observers who will not have to suffer any negative socio-economic consequences of either of the parks' creation.

Our substantive concerns with the proposed development include:

- The thousands of square kilometres being proposed for closure to development in Thaidene Nënë is significant, and 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 on the NWT. Professional geologists familiar with the region have confirmed that high mineral potential was missed or disregarded in the MERA, including potential for minerals such as cobalt and lithium, important to the development of a lower carbon, green economy, with reduced 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 GNWT has also not conducted its own resource assessment of the candidate Territorial Thaidene Nënë Protected Area.
- 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 economic analysis or trade-off study of the economic impacts of Thaidene Nënë versus mineral development. 'Conservation economy' has been mentioned, but there is no analysis or definition of what that is, or its economic benefits. 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 in the Lutsel K'e study. We are unaware of any discussion or study led by GNWT or any other government agency on the economic trade-offs of establishing Thaidene Nënë protected area versus keeping land open for potential responsible mineral resource development. Perhaps the lack of such study or discussion is also a function of the inadequate mineral resource assessment 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, but there has been little discussion or analysis in that regard.

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>

- It is our understanding there are financing arrangements contemplated by private interests and the community of Lutsel K'e as part of, or tied to, establishment of the Thaidene Nënë Park. Without providing any specific details, Parks Canada has recently informed us they are considering a contribution to a trust fund of an Indigenous government in relation to Thaidene Nënë. Given the proposed NWT Protected Areas Act would allow for similar arrangements, perhaps GNWT is considering similar financing arrangements. This has not been revealed. Confidential discussions around exchange of moneys with respect to protected areas could be construed as facilitation without full public disclosure, discussion and understanding of the details. This lack of transparency is highly concerning and speaks to areas of the current process that should be reviewed.
- 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 Akaitcho 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, or their cumulative effects. This is contrary to the NWT Government's *Land Use and Sustainability 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.*"
- There is no clarity on corridors through the Thaidene Nënë protected area / park area. Parks Canada has refused to consider industrial corridors or areas for transportation, power, fibre optic communications, or other logistical support through or within the proposed Thaidene Nënë National 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. Such exclusion of logistical support areas will also reduce the sustainability of the proposed park as a tourism economic engine and thus limit potential economic benefits to communities considerably.
- In addition, the GNWT Proposal for Thaidene Nënë protected area says the Protected Areas Act under which it would be established could allow corridors "when certain conditions are met". However, these conditions appear to be controlled by Establishment Agreements that have not been released and cannot be shared. Thus, there is no guarantee that corridors will be allowed, and this will also have unknown economic implications.
- We are unaware of any detailed discussion of navigable waterways that are a federal responsibility, through the lake portion of Thaidene Nënë park or protected area.
- Float plane access via Ft. Reliance as has historically occurred to support industrial (e.g., exploration) purposes is not allowed. As per Parks Canada's *Development Description*, the only allowance for float planes is for park visits. This will further affect exploration

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>

activities to the east and southeast beyond the park. These significant concerns have been raised but are absent from Parks Consultation & Engagement Report. We are uncertain how this will also occur in the protected area.

- An additional concern raised by our members is that the proponents of both the Thaidene Nënë Park and Protected Area are also the Preliminary Screeners, creating a reasonable apprehension of bias and potential for a perceived conflict of interest. While we understand that the MVRMA allows it, this increases our public concern given the lack of transparency and the many, 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 both the proposed Thaidene Nënë park and the protected area 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 some kind of park development from which it can benefit and feel assured the values of the region are protected. We also understand Parks Canada's interest in advancing this national park reserve. However, we are becoming confused with the added complexity that combining a Territorial Protected Area into the discussion now also brings. There has been no fulsome discussion on the implications of using two protection tools, and what effects – positive and negative – they bring.

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 territorial protected area, and also the 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.

Therefore, on behalf of our many members, we ask that GNWT refer the Thaidene Nënë protected area development proposal to the Mackenzie Valley 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, at the least, provide the following:

- A fair and open and unbiased process that matches the rigour which other northern developments must undergo;
- An updated MERA of the proposed park area, including assessment of low carbon, green economy minerals and low carbon hydro-energy; and that this reconsideration of the MERA accepts input from northern stakeholders, particularly the resource industry;
- A more fulsome analysis and discussion of the socio-economic impacts of the proposed park and protected area vs no park and protected area, and taking into consideration the updated MERA;
- Reconsideration of the proposed park boundaries, which were created without public consultation and without in-depth economic analysis;

- Confirmation that acceptable infrastructure (fibre, power, transportation, and logistical support) corridors and areas will be included in the park areas; and
- Full public disclosure of financial arrangements, both public and private being proposed for the establishment of Thaidene Nëné.

In closing, the Chamber of Mines is supportive of the creation of parks and protected areas where they are required to protect special values and landscapes. However, in considering the closure of such vast areas of the NWT to resource development, it is essential that governments follow an open, transparent and fully considered process to ensure that the best decisions for the people of the Northwest Territories are made. Consequently, we believe that an environmental assessment of the proposed Thaidene Nëné protected area will ensure that government is able to make a well-informed decision that is in the public interest.

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; 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; Felix Lee, President of the Prospectors & Developers Association of Canada; Pierre Gratton, President of The Mining Association of Canada