

Minister of Indian Affairs
and Northern Development



Ministre des Affaires
indiennes et du Nord canadien

Ottawa, Canada K1A 0H4

DEC 19 2001

JAN 02 2002
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Mr. J. Peter Campbell
Vice President
Project Affairs
Canadian Zinc Corporation
700 West Pender Street, Suite 1202
VANCOUVER BC V6C 1G8

Dear Mr. Campbell:

I am in receipt of your letters of May 1 and June 5, 2001, in which you outline your views on the screening and environmental assessment process under the *Mackenzie Valley Resource Management Act* (Act).

The issues you have raised are important and I want to thank you for bringing these matters to my attention and that of my Cabinet colleagues. I regret the delay in my reply, as the complexity of the issues and unfolding events have contributed to these unexpected delays in process.

I appreciate your concerns that the current referral process under the Act, together with the position of Parks Canada (PC) and development, has resulted in a lack of certainty in the environmental and regulatory climate. There is a need to develop standards and processes which will contribute to efficiencies and clarity without compromising the need for environmental management of the unique components of the South Nahanni eco-region. I am unable to comment on PC's position on 'ecological integrity', but expect that by copy of this letter PC will be appraised of the concerns you express.

With respect to the environmental assessment of Canadian Zinc's cat camp and fuel cache clean up, the responsible Ministers have met to discuss the report released by the Mackenzie Valley Environmental Impact Review Board. The concerns expressed in your letter over the recommendation, as well as more recent events including the issuance of a 'clean up order' for this site from the Environment Canada, have protracted those discussions. I expect to release the decision from the responsible Ministers in the near future.

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With regard to your general concerns over process, I have obtained assurances from the regulatory and environmental Boards that they wish to work closely with the various parties to resolve such matters expeditiously. To this end, I am establishing a "Board Relations Unit" within Indian and Northern Affairs Canada, which is intended in large part to help resolve some of these concerns by involving the various Boards, departments, and other parties in effecting long-term solutions.

In the meantime, should you wish to discuss these matters further, please contact Mr. David Livingstone, Director, Renewable Resources and Environment at the following address:

Indian and Northern Affairs Canada
PO Box 1500
YELLOWKNIFE NT X1A 2R3

Telephone: (867) 669-2647
Facsimile: (867) 669-2707

Thank you for taking the time to write to me on this matter.

Yours sincerely,

ORIGINAL SIGNED BY
CHIEF OF BUREAU
FOR INFORMATION

Robert D. Nault, P.C., M.P.

c.c.: The Honourable Sheila Copps, P.C., M.P.
The Honourable Ralph E. Goodale, P.C., M.P.
The Honourable Ethel Blondin-Andrew, P.C., M.P.
Mackenzie Valley Land and Water Board
Mackenzie Valley Environmental Review Board

DRAFT

Terms of Reference for a Board Relations Unit, NWT Regional Office, INAC September 7, 2001

The Board Relations Unit (BRU) is intended to provide leadership in identifying and pursuing INAC and other federal interests related to the various resource management boards in the Northwest Territories (NWT) (including the Mackenzie Valley Environmental Impact Review Board (MVEIRB), the Environmental Impact Screening Committee, the Environment Impact Review Board, the Mackenzie Valley Land and Water Board, the Gwich'in Land and Water Board, the Sahtu Land and Water Board, the Gwich'in Land Use Planning Board and the Sahtu Land Use Planning Board). The creation of the BRU is premised on a recognition that there are several aspects to INAC's relationships with these boards. In addition to being intervenors before these boards, dealing with resource development proposals, INAC also has a role in funding the boards, appointing board members, drafting and amending legislation and working with boards on procedural issues. The Minister of INAC is also a decision maker in many areas that the boards have an advisory role. This relationship between INAC and the boards is set within the context of INAC's mandate to encourage northern economic and political development, while ensuring protection of the environment and maintaining Canada's fiduciary responsibilities to Aboriginal people.

The primary objective of the BRU is to establish and maintain a good working relationship with the boards to allow effective and efficient resource management in the NWT that supports sustainable development. The BRU will work in collaboration with the boards to identify and co-ordinate the tasks required to achieve this objective. To support the facilitator role of the unit, the BRU will be arms-length from other segments of INAC that are responsible for proposing developments, acting as intervenors, providing enforcement services and funding normal board operations. The BRU will also utilize its experience in the longer term in assisting with future regulatory initiatives. It is expected that key BRU activities will include the following:

- Working with various INAC sectors and units (within the Region and at HQ) to develop a comprehensive understanding of the department's interests and roles related to boards;
- Work with the boards and other INAC sectors and units to establish clear and mutually acceptable parameters guiding the relationship between the department and each of the boards;
- Work with affected INAC sectors and units to ensure optimal departmental organization and roles in dealing with board-related interests;
- Lead the development of various departmental initiatives related to boards, and assist with board initiatives, including matters such as the setting of standards and requirements of prospective board appointees, strategies to address

- departmental and board skills capacity development, training departmental staff in INAC's role in the new regulatory regime, Ministerial letters of direction, etc;
- Conduct Phase II Review in collaboration with the MVEIRB;
 - To lead, or assist, as a point of contact in dealing with any federal response to third-party interests that have questions or concerns about the boards or their processes;
 - Work closely with INAC and other federal agencies responsible for interventions;
 - Play a co-ordinating role within the federal system in dealing with board-related issues that are not of an intervention-related nature; and
 - Assist in the implementation of future regulatory initiatives.