Northwest Territories Resources, Wildlife and Economic Development

APR 16 2004

Mr. Vern Christensen
Executive Director
Mackenzie Valley Environmental Impact Review Board
PO BOX 938
YELLOWKNIFE NT X1A 2N7

Submission for the Phase 1
Environmental Assessment of the Mackenzie Valley Gas Project" EA03-007

Dear Mr. Christensen:

We understand that the Mackenzie Environmental Impact Review Board (MVEIRB) will have the opportunity to make recommendations respecting the Terms of Reference for the Environmental Impact Statement should the Project proceed to a Joint Panel (Section 2.2 Workplan).

The Government of Northwest Territories (GNWT) recognizes that the Mackenzie Gas Project (MGP) is one of the largest development projects in the Northwest Territories (NWT), stretching from the Beaufort Sea to the NWT/Alberta border and requiring several thousand workers over 3 years of construction. The GNWT also recognizes the economic significance of the MPG to the NWT and to the Canadian economy.

Our interests flow from a number of pieces of legislation, GNWT policies, and GNWT commitments to national agreements strategies and accords. These collectively are intended to ensure that development provides benefits to northerners, protects the environment, and protects the cultures and lifestyles of northerners. These interests include:

- Social, including health and wellness, social services and education;
- Environment including heritage resources, wildlife, forest vegetation, environmental protection, pollution and air quality, biodiversity and species at risk; and
- Economic Development including community government and infrastructure, roads, airports, business development, training and employment.

.../2

73

The economic boom in the NWT has had both positive and negative impacts on community wellness. The GNWT has been an active participant in project related meetings and discussions and we have noted significant public interest in the socio-economic implications of the project. Given the potential implications of the Project for the programs and services related to these interests, we have focused our submission on these socio-economic concerns.

The GNWT also believes that adequate opportunity to participate in a full and thorough environmental assessment of a project of this scale will require funding for intervenors. Without such participant funding, no environmental assessment will ensure that public interest is well represented. We believe that and suggest that requirement for intervenor funding would be best met through an Environmental Impact Review as defined in the *Mackenzie Valley Resource Management Act*.

The attached specific comments may be helpful to the MVEIRB in their consideration of changes to the Environmental Impact Statement Terms of Reference.

Yours truly,

Peter Vician
Deputy Minister

Attachment

ATTACHMENT

Comments on the Socio-Economic Portions of the Draft EIS Terms of Reference (October 2003).

Project Description, Impact Assessment and Mitigation Measures

The current draft emphasizes simplicity of language at the expense of clarity, and potential usefulness of the information that will be submitted in response to the Terms of Reference.

The Draft TOR devotes 20% of its content to instructions on documenting the existing environment. At the same time, the Draft lacks detailed direction on the project information and predictions that the Proponent should prepare.

The lack of up-front detail may lead to a more onerous environmental assessment process and may add to the appearance that the regulatory environment is complex. Clarifying for the Proponent the information that will undoubtedly be requested at some point in the assessment will provide the developer a better understanding of the process, and will better enable them to respond satisfactorily to public concerns.

The GNWT recommends that data on the existing environment – for example, demographic data / profiles -- should only be required to the extent it is needed in order to analyse or predict impacts.

At the same time, where data on the existing environment is requested, the Proponent should partner this with a submission on the predicted impacts to that environmental component (both pre-mitigation effects and residual effects).

Assessment Boundaries (Sections 7.2 and 10.3)

Clearer direction should be given to the Proponent on those things that should be considered in the rationale for selecting spatial boundaries. This is particularly important for socio-economic spatial boundaries, where past projects have not established a satisfactory methodology.

Recommend Section 10.3, pages 27-28, provide more specific direction regarding socio-economic spatial boundaries, as follows:

For each socio-economic VEC the Proponent should document conditions in the local, regional, territorial and national spatial boundaries, for residents and organizations likely to be affected by the project. The Proponent should also predict potential effects of the project on the communities, residents and organizations within each of those spatial boundaries. It should include with this information details on the likely magnitude, frequency and possible irreversibility of the effect, and the degree of certainty or uncertainty associated with the prediction.

Existing Environment – Land Use – Section 9.5.5

Change the first bullet to read as follows:

- designated or planned (potential) land uses (e.g., parks and recreational areas; ecologically important areas; industrial zones; *granular supplies; all-weather or winter road routings; expansion of existing marine, road or air infrastructure*)

Human Environment Impact Analysis (Section 13)

The GNWT recommends the Proponent to look at, in particular, the potential effects of the project on vulnerable segments of the NWT population. This would include, for example, the potential effects:

- of a transient workforce on women;
- on children, due to changes in family dynamics or structure;
- of inflation on the elderly.

The Proponent should also consider, in particular, whether there will be differential impacts on certain portions of the NWT population according to their gender, family structure, or income level.

Section 13.2 – Local, Regional, Territorial and National Economies

Add to the bulleted factors that begin at the end of page 35 and continue to page 36 –

- certifications that will be needed by the workforce

Add before the first secondary-level bullets on page 35:

- workforce peaks and lengths of employment, including the range of maximum and minimum requirements

Supplement the page-36 points relating to spin-off economic activity and business opportunities with the following additional points:

- portions of the Project operations that will be conducted outside the NWT via remote technology
- Project components that will be pre-fabricated outside the NWT
- opportunities for technology transfer to the Northwest Territories

Section 13.8 – Infrastructure and Institutional Capacity

Recommend that this section be re-titled to 'Net Effects on Government', and that it be re-framed to capture the nets impacts likely to be experienced by federal, territorial and community governments.

Recommend that Section 13.8 be re-worked, to incorporate the following instruction:

- Document the existing social, institutional and community services, transportation facilities and infrastructure, traffic needs, and housing and accommodation needs and supply (e.g., affordability, housing stock, diversity) in the project area.

- Describe the fiscal effects on government programs and related public expenditures for new or expanded infrastructure (roads, schools, or other services) required for implementation of the proposed project.

- Document the potential effects of the proposed project on expenditures and revenues, costs and net income accruing to the federal and territorial governments.

- Document the potential effects of the proposed development on existing social, institutional and community services, transportation facilities, services, infrastructures (e.g. transportation safety), and permanent changes to the infrastructure and services arising from the proposed project. The range of potential effects to consider include, among others:

    - territorial / community waste disposal infrastructure (landfill sites)
    - local government infrastructure and services
    - bulk fuel storage facility capacity and project needs, including contractor and sub-contractor needs
    - ice road capacity
    - institutional pressures (including enforcement) on recreation activities (hunting / fishing)
    - staging of labour and materials in local communities and regional centres
    - on-site medical and nursing services and accommodations
    - air ambulance services and emergency medical response
    - health care and benefits available to employees and contractors

Public Participation (Section 8)

Recommend adding the following as a final bulleted point in Section 8, page 15:

For those public issues that did not affect the design of the Project, explain why the Proponent considers no further action is required.

Impact Assessment Methodology – Mitigation, Residual Impacts and Significance (Sections 10.4 to 10.6)

Elaborate the instructions in each of these sections, to clarify that this analysis is to be applied to impacts on both the biophysical and socio-economic environments.

While the Draft Terms of Reference do include a section for "Socio-economic Policies and Commitments', and this is useful, socio-economic *mitigation* measures are more specific than the general objectives that would usually be included in a Benefit Plan.

Recommend, for example, changing 10.4, Mitigation Measures, to the following:

Identify the general and specific procedures, that are technically and economically feasible, to be used to ensure that the potentially adverse impacts on the environment set out are insignificant or mitigable with known technology.

Describe the specific environmental and socio-economic protection procedures for the resolution of any environmental and socio-economic issues that require individual identification and attention, including measures to promote positive, project-related socio-economic effects.

Describe the proposed control structure of the Proponent, including the identification of authorities responsible for assessing enhancement and mitigative measures and for ensuring that obligations with respect to those measures are met.

Temporal boundaries for socio-economic mitigation measures should consider the pre-construction, construction, end-of-construction, operations, closure, and post-closure phases. (This last point cross-references with Sections 7.7, 'Decommissioning and Abandonment Phase, and 10.3, Assessment Boundaries).

Confidence in Prediction (10.8)

Recommend changing to include the following addition:

Indicate the degree of certainty in the impact predictions and determination of significance, *including the risk of potential unsuccessful mitigation or implementation.*

Socio-economic Policies and Commitments (Section 22)

Supplement the preamble to this section with a reference to *barriers* to beneficial impacts. In addition to the list on pages 46 and 47, also request statements / policies regarding the following:

- access to towns by workers (add to 6th bullet on page 46, which deals with reducing the potential for social problems)
- affirmative action programs in place for hiring, training and promotion (this is supplemental to the 3rd bullet on page 46).
- preferred supplier list and standard specification lists, and a description of pre-existing alliances or contractual arrangements with suppliers of goods or services
- a description of all major aspects of Project employment for which the terms and conditions of that employment will likely be governed by one or more Collective Agreements, including recent copies of those Collective Agreements.

- non-smoking policies and practices
- vaccination programs for employees and contract employees.

Cumulative Impacts (Section 15)

Recommend the TOR include instruction on specific cumulative effects. This could include such concepts as:

Identify the cumulative economic effects of the project such as the triggering of, or significant contribution to, interactive, long-term, area-wide development forces that could alter the basic economy or traditional culture of the project area or its surrounding region.

Describe the potential for induced development due to improved access and improved infrastructure resulting from the proposed project.

Alternative Means of Carrying out the Project (7.9)

Add the following to the bullets under 'Facility Siting and Routing' on page 14:

- energy usage and sources, including usage of by-products;
- pipeline capacity after *maximum* looping and compression using current technology
- siting of (SCADA) production management facilities and systems

And under 'For each Project Phase':

- designed flexibility that allows for the future introduction of alternative means of carrying out the Project.
- location of activities (i.e., within or outside of the Northwest Territories).

Contribution to Sustainability (Section 3.1)

Add to the second-last bullet on page 4:
the rights of future generations to the sustainable use of renewable *and non-renewable* resources.

Project Description (Section 7)

Re-label section 7.2 to 'Cost, Workforce, Schedule, Government Resources and Boundaries', and change the last section as follows:

Government Resources:

- any community resources that will be drawn upon including but not limited to accommodation, medical services, and sewage disposal
- *any territorial government resources that will be drawn upon including but not limited to: medical, protection, community and enforcement services; training; infrastructure*

Add to Permanent Facilities (Section 7.3):

- main pipeline (including potential maximum daily flow with and without looping and compression).

Terrain, Geology and Soils (Section 11.1, Physical Environment Impact Analysis)

Add the following bullet:

- expected value of depleted non-renewable resources.