

Environment and Conservation
Renewable Resources and Environment
4914-50th Street,
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P.O. BOX 1500
YELLOWKNIFE, NT X1A 2R3

March 11, 2004

Kimberley Cliffe-Phillips
Mackenzie Valley Environmental
Impact Review Board
5102-50th Avenue,
P.O. BOX 938
YELLOWKNIFE, NT X1A 2N7

Dear Ms. Cliffe-Phillips:

Re: Indian and Northern Affairs Canada Responses to Questions Raised at the Public Hearing for the Paramount Cameron Hills Extension Environmental Assessment (EA03-005)

During the Public Hearings for the Paramount Cameron Hills Extension Environmental Assessment held at the Ptarmigan Inn in Hay River, questions were asked of Indian and Northern Affairs Canada (INAC). Attached is a copy of the questions that were asked and the responses from INAC. I trust that the information provided will be of assistance to the Mackenzie Valley Environmental Impact Review Board (Review Board) and other parties to the Environmental Assessment Process. If the Review Board has any questions or requires additional clarification, please do not hesitate to contact me at (867) 669-2587.

Cheers,

Fraser Fairman

Environmental Scientist,
Environment and Conservation Division

**Mackenzie Valley Environmental Impact Review Board
Paramount Cameron Hills Extension Environmental Assessment (EA03-005)
Indian and Northern Affairs Canada's Response Dated March 11, 2004
To Questions Raised During the Public Hearings in Hay River**

QUESTION # 1 - Will DIAND fulfill Measure number 16?

INAC RESPONSE - As stated at the Public Hearing, DIAND will fulfill measure number 16. DIAND recently received the list of "Potentially Affected First Nations" from the Mackenzie Valley Environmental Impact Review Board, and we will be distributing the Paramount-Cameron Hills Benefits Plan Annual Reports for 2002, and 2003. Attached is a copy of the Annual Report - Cameron Hills, Northwest Territories, 2002 and 2003, which can be placed on the Public Registry.

QUESTION #2 - "So please confirm that it is DIAND's position that Paramount does not have any responsibility to inform or involve the communities if there are operational environmental problems in the Cameron Hills?"

INAC RESPONSE - DIAND's understanding is that Paramount has no responsibility to inform or involve the communities if there are operational environmental problems in the Cameron Hills.

QUESTION #3 - "Please confirm that DIAND has no responsibility to consult with the communities about environmental problems in the Cameron Hills or to provide the communities with the inspection reports.?"

INAC RESPONSE- I can confirm that DIAND has no direct responsibility to consult with the communities about *operational* environmental problems in the Cameron Hills, nor to provide the communities with the inspections reports.

Question #4 - "In response to a question yesterday, Paramount responded that the communities should get royalty information about this project from DIAND. Can DIAND provide this information to the public registry?"

INAC RESPONSE - Royalties collected are public information and these royalties are split out into oil royalties and gas royalties: the royalties, however, are not separated out by company or by the property/project so that proprietary information, such as contact pricing, is kept confidential.

In the Northern Oil and Gas Annual Report that is prepared by the Northern Oil and Gas Directorate, Indian and Northern Affairs Canada, all royalties for the NWT are reported. The Northern Oil and Gas Annual Report will not be available until June 2004. To answer the question, no we are not able to provide the royalties paid by Paramount Resources for the Cameron Hills Project due to the proprietary nature of the information.

INAC is including a copy of *The Final Report: Mediation of Cameron Hills Wildlife and Resources Harvesting Compensation Plan* prepared for Indian and Northern Affairs Canada, prepared by Gartner Lee Limited (Mr. Morrison), as requested by the Review Board, which can be filed on the Public Registry.

INAC is also including the most recent copy of the *Northern Benefits Requirements Associated with New Exploration Programs* document to add to the Public Registry.

Finally, INAC would like to comment on the Technical Reports submitted by the Deh Gah Got'ie First Nation, the Ka'a'Gee Tu First Nation and by the K'altodeeche First Nation.

In the technical report submitted by Deh Gah Got'ie First Nation Fort Providence Resource Management Board the following is stated on Page 13:

"INAC is to fulfill the commitment it made in response to IR 1.2.31 in which INAC stated that it would provide funding to communities for Access and Benefits Agreement negotiations."

In the technical report submitted by Ka'a'Gee Tu First Nation the following is stated on Page 15:

"INAC must fulfill the commitment it made in response to IR 1.2.31 in which INAC stated that it would provide funding to the KTFN for Access and Benefits Agreement negotiations."

In the technical report submitted by K'atlodeeche First Nation, the following is stated on Page 12:

"INAC is to fulfill the commitment it made in response to IR 1.2.31 in which INAC stated that it would provide funding to communities for Access and Benefits Agreement negotiations."

These statements are not an accurate portrayal of what was stated in INAC's response to IR 1.2.31. INAC stated the following:

"Through the Resource Access Negotiations (RAN) Program, INAC can provide reasonable resources to support the FPMC/KTFN in activities leading to the creation and early implementation of agreements, other than joint-working agreements, for the following purposes: access to business and employment opportunities in major resource projects; attract investment in on-reserve natural resources; access off-reserve natural resources; and, manage off-reserve natural resources."

This response does not constitute a commitment by INAC to provide Resource Access Negotiations (RAN) funding for the purposes of negotiating Access and Benefits Agreements. The RAN program has established criteria that must be met prior to INAC making a funding commitment. At the minimum, a proposal must be submitted to INAC making a formal request for RAN funding.