



January 3rd, 2008

Mr. Neil McCrank
Special Representative of the Honourable Chuck Strahl,
Minister of Indian and Northern Affairs Canada

Dear Mr. McCrank;

Re: Northern Regulatory Improvement Initiative

The Review Board has been recently advised by senior staff of the Claims Implementation Branch of INAC that supplementary funding to support the Review Board's 2008/09 budget will not be forthcoming until after your report to Minister Strahl has been received and decisions regarding overall funding levels for the northern regulatory Boards are made. Such a limit on funding for 2008/09 funding will be severely disruptive to the Review Board's operations. Our understanding is that your report is due to Minister Strahl at the end of March 2008. This would suggest that it will be some considerable time later that decisions regarding new or supplementary funding amounts will be made.

The most pressing issue for the Review Board is to establish an adequate and stable funding base for its on-going operations. We have been attempting to address this issue every year since the Review Board was established in December 1998. An ad hoc approach has been implemented over the last five years whereby the Board receives a base funding amount of approximately \$2.4 million dollars annually and a supplementary amount of \$500,000 to \$750,000 "found" from within the Indian and Northern Affairs Canada (INAC) budget. The base amount of \$2.4 million is fixed for a ten year period commencing in 2002 by the Gwich'in Land Claim Implementation Agreement and is not responsive to the growth in work volumes or price levels from one year to the next.

While less than ideal this ad hoc approach has helped the Review Board address its most critical operating requirements; while INAC and the Review Board have continued discussions on development of a long term solution to this very difficult and inadequate funding arrangement. To properly address its responsibilities for environmental impact assessment (EIA) in the Mackenzie Valley, the Review Board estimates its annual funding requirements to be in the order of \$5.5 million annually. This has resulted in an

annual funding shortfall of approximately \$2.3 million after supplementary funding amounts have been included.

Now it is being suggested that the Board may be required to operate for much or all of 2008/09 on the base amount of \$2.4 million. If that is the case current levels of service will need to be severely cut back.

The Review Board submitted an options paper to INAC with its 2006/07 Business Plan submission describing the current funding arrangement and possible solutions. This options paper is attached for your information. You may find it helpful in your consideration of this issue and what may be a more practical approach to funding the Review Board.

Anything you can do to pre-empt the disruption that reduced and insufficient funding will cause the Review Board when the 2008/09 fiscal year begins in April, would be greatly appreciated.

The Review Board has also made submissions to INAC on the need for Participant Funding to assist certain interveners lacking sufficient capacity to participate in the Review Board's EIA processes and on the need to be properly funded to implement the *Official Languages Act* and provide equitable aboriginal language services. These two initiatives carry a significant cost however they are obligations derived from the *Mackenzie Valley Resource Management Act* under which the Review Board was established.

The Participant Funding and Language Services submissions are attached for your additional information.

A number of other issues relevant to your review of the northern regulatory system are discussed in the Review Board's submission to the 2005 NWT Environmental Audit undertaken by INAC. This submission is attached for your information as well.

If you require any additional information or elaboration on these issues please do not hesitate to contact me directly by telephone at 867-766-7059 or by e-mail at gmackenzie-scott@mveirb.nt.ca. Alternatively you may wish to contact our Executive Director, Vern Christensen. He can be reached by e-mail at vchristensen@mveirb.nt.ca or by telephone at 867-766-7055.

Sincerely,



Gabrielle Mackenzie-Scott
Chairperson



Attachments (4)

Cc: Trish Merrithew-Mercredi
Regional Director General
INAC NWT Region

Steven Joudry
Director General
Natural Resources and Environment Branch
INAC HQ

Terry Sewell
Director General
Implementation Branch
INAC HQ

