

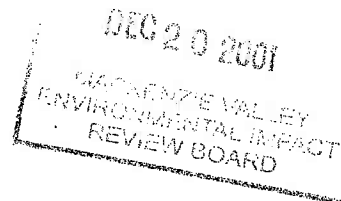
EA01-005

Deh Gah Got'ie Dene Council

**General Delivery, Fort Providence,
Northwest Territories, X0E 0L0**

December 19, 2001

The Honourable Minister Robert D. Nault, P.C.M.P.
Indian and Northern Affairs Canada
Ministers Office
10 Wellington St. North Tower
Hull, P.Q., Canada
K1A 0H4



Honourable Minister:

**Re: Mackenzie Valley Environmental Impact Review Board Report of
Environmental Assessment on the Paramount Resources Ltd. Cameron
Hills Gathering System and Pipeline Development**

We are writing this letter jointly as the elected leaders for the community of Fort Providence. Collectively, we represent the First Nations and the municipal interests of the entire community of Fort Providence, NT.

We have been informed by Paramount Resources Ltd. (Paramount) that their planned development in the Cameron Hills has been suspended until such time they can secure their required regulatory approvals for the development. We understand that the main roadblock being faced by Paramount is the significance and number of recommendations made in the above noted Report on Environmental Assessment for the proposed development. As such, we wish to inform you of our collective position for our community on the project and the report.

Our community has a very high unemployment rate, estimated at 30%, and many of our community members and businesses have been anticipating the benefits that were to be derived from Paramount's planned activities in the Cameron Hills. Immediate job loss from the suspension will be a minimum of four local persons and approximately \$250,000 in revenues. Overall, if the project is cancelled, our community stands to lose over 40 employment positions and business revenues in the millions of dollars. We understand the need to address the socio-economic impacts if agreements and procedures are not clear and in place prior to commencing development. However, we also understand the socio-economic impacts to our community and members if the project suspension becomes indefinite due to a lack of commitment to address the outstanding issues in a timely manner.

Furthermore, this is the second year that the Paramount project has been delayed by the regulatory process. Cancellation, or delaying, of this year's project will further increase the community's mounting frustration and perpetuate our poor socio-economic environment. Our community has been preparing for this project over the last two years by conducting numerous training programs geared to oil and gas development to ready our workforce. These programs, in part, have been funded by your department who now has the responsibility of deciding on what conditions the proposed development may proceed.

Of the recommendations in the report, the inclusion of a compensation plan for traditional land users in the Northern Benefits Plan appears to be the most contentious. Although the community of Fort Providence welcomes and supports this recommendation in principle, it is the timing and

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Review of the Report of Environmental Assessment
December 19, 2001

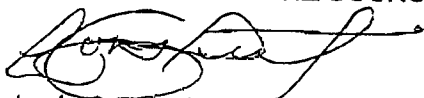
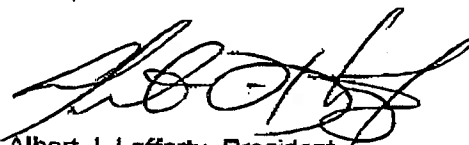
implementation of the recommendation that we see as a hurdle for the proposed development. Currently there is no compensation plan or policy in place in the NWT and there appears to be confusion or uncertainty amongst the government agencies as to who is responsible for such a policy. With this confusion and uncertainty, we find it unreasonable to expect that an acceptable policy can be developed and implemented within a timeframe to allow Paramount's project to proceed during this winter.

It is our submission that Paramount's Cameron Hills gathering system and pipeline development project be allowed to proceed this winter based on negotiation and agreement between Paramount and the impacted communities with respect to consultation, compensation, traditional knowledge study and the benefit plan. For your information, our community was satisfied with the direct impact mechanisms that Paramount had indicated they would utilize for compensation to traditional land users for the purposes of this specific project. However, as a starting point, we are willing to proceed with review, and if appropriate, adopt the traditional harvester's compensation policy that was repealed by the GNWT in 1997. If agreement between the impacted communities and Paramount is not possible, we would expect consultation and resolve of outstanding issues identified in the recommendations of the review Board prior to the proposed development proceeding. Fort Providence takes the position that the Federal Government has a fiduciary obligation to make certain that First Nations whose traditional territory will be impacted are provided with the capacity and resources to address, effect and receive maximum benefits from the proposed development.

The Cameron Hills is a traditional land use area for our community, and we provide our comments with full respect for the land, while addressing the needs of our membership and others with traditional interest in the Cameron Hills. We make this recommendation with the sincere interest of our community and our confidence in our ability to negotiate the issues directly with Paramount for this proposed development only.

Furthermore, our submission is not be interpreted as abrogating or derogating our rights as First Nations or with respect to the Deh Cho Process, nor is it to be interpreted as precedence for future development projects.

Sincerely,

Chief Sam Gargan
DEH GAH GOTIE DENE COUNCILLouie Constant
Incorporated Hamlet of Fort ProvidenceAlbert J. Lafferty, President
FORT PROVIDENCE METIS COUNCIL

cc. Ethel Blondin, MP for the NWT
Stephen Kakfwi, Premier of the NWT
Grand Chief Michael Nadlii, Deh Cho First Nation
Chairperson, MacKenzie Valley Environmental Review Board
Chairperson, MacKenzie Valley Land and Water Board
Shirley Maaskant, Paramount Resources
Chief Lloyd Chicot, Ka'a'Gee First Nation
Chief Karen Thomas, West Point Dene First Nation
Chief Pat Martel, Katlodeeche First Nation