



## THE SAHTU SECRETARIAT INCORPORATED

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September 24, 2024

Ms. Joanne Deneron  
Chair  
Mackenzie Valley Review Board

**Re: Norman Wells Resources NWT Limited (“Imperial”) Line 490 Replacement Project, also known as the Norman Wells Goose to Bear Island Pipeline Replacement Project (the “Project”)**

I am writing in my capacity as Chair of the Sahtu Secretariat, Inc (SSI), the regional land claim body in the Central Mackenzie Valley, to inform you of our referral of the above-named project to Environmental Assessment as provided for under S126 (2) (b) of the *Mackenzie Valley Resource Management Act*.

This referral by SSI is undertaken at the direction of the Board of Directors which met on September 23, 2024 and reflects the concerns of several of the Land Corporations established under the *Sahtu Dene and Metis Comprehensive Land Claim Agreement*.

A brief discussion of the reasons for our referral follows.

1. The Nature of the Project

In its letter to the Canada Energy Regulator of October 5/23, Imperial Oil claimed that “*the Project falls within the scope of the OA [Operations Authorization] and relates to matters contemplated in Imperial’s associated application materials, which were reviewed and approved by the NEB in 2014.*”

SSI does not agree with this and respectfully submits that the Project is substantively different from activities that were approved by the National Energy Board in 2014.

The original pipes between Goose and Bear Island were laid in a manner that is fundamentally different from the work proposed to set the replacement pipe.

Burying in a trench and armouring is far from directional drilling and SSI cannot see any distinct reference in the original Imperial submission that gave rise to OA-1210-001 that provided for the use of the latter method.

SSI notes that the CER has agreed with this position in its response of 6 November 2023 in which the Regulator found that “*the execution of an HDD under the Mackenzie River is unique, novel and unusual*” and should therefore be subject to a public hearing process.

This position was reflected in the November 15, 2023 letter from the Sahtu Land and Water Board where it stated that “*the Line 490 Replacement Project fits the definition of ‘significant alteration’.*”

Further, the river environment in which the Project is proposed is one that is experiencing ongoing, serious changes to its depth, flowrate and direction leading to unprecedented riverbed scouring, the result of a combination of the impacts of climate change and the continued accretion of the artificial islands constructed by Imperial Oil in its expansion project of the early 1980s.

This combination of “*unique, novel and unusual*” technology with a continually changing river environment clearly calls for a full environmental assessment up to and including a review of possible cumulative impacts.

## 2. The Requirement for Meaningful Consultation

The SSI Board is supportive of the K’asho Got’ine Committee (the “Committee”) in its submissions of July 17, 2024, August 17, 2024 and August 20, 2024 concerning the need for, and to date, inadequate level of, consultation as required by *the Sahtu Dene and Metis Comprehensive Land Claim Agreement (SDMCLCA)*

The SSI Board believes the Committee submissions clearly set out its views on the obligation to consult and outline its belief that this obligation has not been meaningfully fulfilled.

For reference, the SDMCLCA provides a clear definition of what consultation should consist of:

“consultation” means:

1. (a) the provision, to the party to be consulted, of notice of a matter to be decided in sufficient form and detail to allow that party to prepare its views on the matter;
2. (b) the provision of a reasonable period of time in which the party to be consulted may prepare its views on the matter, and provision of an opportunity to present such views to the party obliged to consult; and
3. (c) full and fair consideration by the party obliged to consult of any views presented.

It can be further noted that more contemporary definitions of consultation arising from numerous court decisions include the requirement that the consulting party also consider means to accommodate the concerns raised by the Indigenous party.

In response to the legitimate claims of the Committee, SSI believes a full environmental assessment process is required to ensure that Sahtu residents can be meaningfully involved in decisions relating to development on, and affecting, their lands and waters.

## 3. The Lack of Local Benefits

There has long been an imbalance between the environmental and social costs of a development project and the benefits from that project that accrue to residents in the vicinity of that project.

In response, contemporary practice is the negotiation of an impact benefits arrangement between the developer and the local community, often as required by law.

Such benefits agreements are common in the mining sector with several covering the diamond mine developments to the south of the Sahtu Region. Likewise, benefits agreements are a requirement of long-standing territorial and federal petroleum legislation.

The 1944 Proven Area Agreement, and its successors, contains no provision for local benefits with the result that there is no legal obligation on the part of Imperial Oil to provide local benefits in employment and business opportunities.

This is not to say that Imperial Oil has not hired Sahtu residents nor spent money with local businesses in the one hundred years it has been operating at Norman Wells. It certainly has but the question remains, could the company do more?

In respect of the planned Line 490 work, Imperial Oil has selected Graham Construction as the main contractor and is now "*encouraging Sahtu-beneficiary organizations and companies who are interested to reach out directly to Graham Construction to participate in the project*".

While the suggestion to reach out is welcome, there is no requirement that either Imperial Oil or Graham Construction will ensure that local companies are successfully involved in the Project.

An environmental assessment of the Line 490 Project should include a full review of the social and economic impacts and benefits of the construction and subsequent operation of the Norman Wells oilfield.

#### 4. Conclusion

For the reasons above, Sahtu Secretariat Inc refers the Line 490 project to environmental assessment and respectfully requests that the Mackenzie Valley Environmental Impact Review Board begin planning for such a review at its earliest convenience.

Yours very truly,



Charles McNeely  
Chair, SSI

cc SSI Board Members

Ms. Valerie Gordon, Chair, SLWB

Mr. Paul Dixon, Executive Director, SLWB

Mr. Michael Van Appelen, VP, Energy Adjudication, CER

