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Chair

Mr. Leon Benoit

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● (1525)

[*English*]

The Chair (Mr. Leon Benoit (Vegreville—Wainwright, CPC)): Good afternoon, everyone. We're continuing our study on resource development in northern Canada.

We invited three witnesses for today. Apparently the clerk and analyst couldn't arrange to have one witness come; that was an NDP witness. So we have with us today two witnesses.

From Trinity Helicopters, we have Glen Sibbeston, chief pilot; and from Gem Steel Edmonton Ltd., we have Bradley Gemmer, president. Welcome to both of you, and thank you for coming.

We'll have the presentations in the order they appear in the orders of the day.

Would you go ahead, Mr. Sibbeston, for up to 10 minutes?

Mr. Kennedy Stewart (Burnaby—Douglas, NDP): Mr. Chair, I have just three quick administration questions before we move on to the witnesses.

The Chair: Okay, go ahead, Mr. Stewart.

Mr. Kennedy Stewart: First of all, we had a little bit of a talk about interim reports for our reporting. I was just wondering if we could set some time aside on December 14 to talk about the possibility of issuing interim reports on, say, geomapping. Could we set that aside so that we could talk about that on December 14?

The Chair: On December 14 we have the whole meeting set for future business, so certainly there is no problem with that. Whatever you bring up, we will discuss as one of the issues.

Mr. Kennedy Stewart: Thank you.

The second question is whether we have a list of our upcoming witnesses, even for next week. We have at least one day for witnesses for this. If we could have that list a little bit in advance, that would be great.

The Chair: That is for the forestry industry.

Mr. Kennedy Stewart: We have that one. Is December 14 entirely...?

The Chair: December 14 is entirely on future business.

Mr. Kennedy Stewart: Maybe we could have the names of the January witnesses a little bit in advance.

The Chair: We'll see what we have in that regard. Our regular clerk is apparently home ill. We have a substitute clerk—and thank you for being here.

Do you have one more comment?

Mr. Kennedy Stewart: On the third issue, you and Mr. Anderson just approached me about discussing the motion on December 14. For those of you who don't know, I've tabled a motion to conduct a study on the current state of oil pipelines and refining capacity in Canada. That would include a section on future industry in Canada. I have talked with my colleagues, and we're happy to discuss that on December 14.

The Chair: Very good. We'll discuss it with the rest of future business. Thank you very much. We appreciate that, Mr. Stewart.

Now I'll go to the presentations.

Go ahead, please, Mr. Sibbeston.

● (1530)

Mr. Glen Sibbeston (Chief Pilot, Trinity Helicopters): Thank you, *merci*, *mahsi cho*.

It's an honour to be here today to address this committee. My name is Glen Sibbeston. I'm the chief pilot at Trinity Helicopters in Yellowknife, Northwest Territories.

Trinity Helicopters is an aboriginal-owned business, and I, myself, am a Métis from the Dehcho region. I have spent much of my life in northern Canada. My background includes a nine-year military career as a Sea King pilot, a couple of years as a mechanical engineer in the Northwest Territories, and about 10 years of civil helicopter flying in northern Canada. My most extensive experience is in the Dehcho region of the Northwest Territories, between the Mackenzie Valley and the Yukon border, but I've worked through much of northern Canada.

As a civil helicopter pilot, I have worked for mining companies, energy companies, government land inspectors, geologists, park wardens, and wildlife biologists. Basically anyone who needs intimate access to wilderness areas beyond the transportation infrastructure of Canada finds a need for helicopters.

As a Métis person from Fort Simpson, I was raised with an aboriginal viewpoint but educated in the western tradition. I have what I think is a balanced view of the tension between aboriginal, business, and government concerns. My perspective comes from seeing dozens of exploration projects, from having had hundreds of conversations with people who are trying to accomplish things in northern Canada, and from having had thousands of flight hours over the wilderness.

I have chosen to focus on three issues that I think are key if Canada is to develop its northern natural resources in the most beneficial way. First is transportation into the vast expanse of forest, mountain, and tundra areas of northern Canada; second is making peace and aligning interests with the aboriginal peoples who have occupied these lands; and third is the complex and unpredictable regulatory process that a resource developer must face before being able to turn a stone. These three issues, in my opinion, comprise the most significant barriers to development in the north.

The north is vast. Over one third of Canada's land mass is located north of the 60th parallel. Most of it lacks transportation infrastructure such as roads, rails, airports, and seaports. Even Canadians think of Yellowknife as being a long way north, but from Yellowknife, the north pole is more distant than the Mexican border. The average distance between communities in the Yukon and Northwest Territories is in the order of 200 kilometres. This figure is larger in Nunavut.

Many communities are not served by all-season roads. In fact, most roads end without penetrating very far north of 60 degrees. The most northerly route is the Dempster Highway, which ends at Inuvik, having passed mainly through the Yukon Territory. The Yukon has the best developed road network, the Northwest Territories less so, and Nunavut does not enjoy the benefit of a single highway.

It costs about 10 cents to move a tonne of goods one kilometre by road. This service is fairly reliable and schedules are flexible. At the end of the road, air transport often becomes the best alternative. What does a miner face when exploring past these roads? Costs soar.

If the destination is served by a large runway, that same tonne of goods can be moved by large aircraft for about $2 per kilometre. If a runway is not available, a smaller bush plane becomes necessary and the cost goes up to $10 per kilometre. The worst case is a very rugged destination where a helicopter is necessary. In this case, the cost rises to over $20 per kilometre to move that same tonne of goods. Many a geologist has quipped that rich deposits prefer spectacular scenery, which can be found only at the most remote and rugged locations.

In approximate terms, at locations within 100 kilometres of highways, transportation costs exceed $1,000 per tonne. If you're nearer than 100 kilometres to a highway, you can get your goods to site for less than $1,000 per tonne. Once you pass that line, the cost will tend to go above $1,000 per tonne. And by the time you're approximately 300 kilometres from the nearest road, you're looking at $5,000 per tonne to move your goods to site, and ever more so as you get further away from the road system.

● (1535)

Shipping is available to communities with sea access. Costs per tonne vary from $230 per tonne for Kivalliq communities to $665 per tonne for Kitikmeot communities, and the high Arctic is over $1,000 per tonne.

Mr. Wladyslaw Lizon (Mississauga East—Cooksville, CPC): Mr. Chair, I have a question.

The Chair: You have a point of order.

Mr. Wladyslaw Lizon: Yes, a point of order.

There's a reference in the presentation to slides. Are we having slides?

Mr. Glen Sibbeston: I had a technical problem and the slides didn't make it into the presentation. They didn't arrive in time to be translated. I think you will get the deck afterwards.

Mr. Wladyslaw Lizon: Okay. I thought we were missing something.

The Chair: No. They will be coming as they are translated.

Mr. Wladyslaw Lizon: Okay, thanks.

The Chair: Thank you.

Go ahead, Mr. Sibbeston.

Mr. Glen Sibbeston: Thank you.

Nevertheless, if you've managed to get your goods to one of these seaports, the cost of transport just outside of these communities remains in excess of $5,000 per tonne because staging logistics in air transport are difficult, uncertain, and expensive. Exacerbating the situation, the reliability and scheduling flexibility of the road system diminishes the farther afield one must go. Ice roads and sealift are available for only a few months a year. At the point where bush planes or helicopters are necessary, transportation is available only during daylight hours and when weather permits. These limitations impose serious restrictions, uncertainty, and additional costs on the mining company.

My thoughts on the situation are fairly straightforward. New roads would breathe life into the Canadian resource industries. Every 100 kilometres of new road would bring 20,000 square kilometres within the $1,000 per tonne area and push north the $5,000 per tonne line. The Manitoba-Kivalliq road is an example of such a project that is currently languishing and could be rejuvenated with decisive political support from the federal government. The Mackenzie Valley Highway is another.

I'll move on to my second point. The land claims process, whereby land is returned to the aboriginal peoples of northern Canada, is not complete—not yet. This is such a huge and complex topic. What I would like to do with my short few minutes is explore one idea, an incongruity that lies at the base of the misunderstanding between the first nations and Canada.

One fact that is not often observed in the context of land claims is that the aboriginal people of northern Canada did not practise agriculture; they were hunter-gatherers. This is important because the relationship between a hunter-gatherer and the land is profoundly different from the relationship a farmer has with his land. Both rely on land to earn a living, but the hunter moves over it from place to place collecting what the land offers. The farmer chooses a spot and then progressively improves the land, first by breaking the ground and eventually by creating fences, roads, and buildings. In order for the farmer to invest years of hard effort into his land there needed to be some assurance that he would be able to enjoy his investment, so property rights and legal systems evolved to meet this need.

The hunter has no need for such ideas since he makes little investment into lands, and due to very low population densities, interaction with neighbours is infrequent. In fact, the very idea of a single person owning land seems repugnant to the hunter, as it obviously belongs to all equally. Looking at it another way, the hunter owns a bit of land completely the moment he stands on it, and then it is returned to nature as he moves on.

In the industrial age, property rights and a dependable legal framework became increasingly important as capital investment and the means of production necessarily increased. The farmer adapted easily as the ideas and virtues required to farm transferred neatly to industrial production. The farmer became the industrialist. The hunter-gatherer became the trapper, an activity well suited to his skills and requiring little property. To this day the hunter-gatherer has no property; it's being held in trust.

I move from the abstract to the personal and specific. In the last decade the Mackenzie Valley gas pipeline was proposed, studied, debated, and rejected. I watched the Dehcho land claim negotiations from my then home in Fort Simpson. I watched in frustration as opportunity passed the whole region. The land claim in the Dehcho was not settled, and as a result no consensus could be reached between the first nations, the federal government, and Imperial Oil. The pipeline was not built. I moved away.

The Dehcho First Nation was trying to apply the land ownership concept of the hunter-gatherer at a time and place where the industrialist was looking to invest billions. Rather than offer good counsel, the federal government made a lowball offer that seems to have been designed to take advantage of a lack of awareness on the part of the Dehcho First Nation of the value of resources under the ground. No agreement was reached. The time was not right.

If Canada is going to make best advantage of its resources, we need to align our interests with those of the first nations. This means completing the land claims in such a way that aboriginal people prosper as their lands produce.

● (1540)

The federal government should take a more generous tack rather than the hard-nosed adversarial attitude that has predominated. The first nations have not been right about everything either. Consensus management strategies and the hunter's concept of land ownership are anachronistic. The industrialist concept of land ownership must prevail, since it is industrial activities that the land is destined for.

My third point centres on the regulatory process that resource developers face. Resource extraction and even exploration are subject to laws that essentially make these activities illegal. The process is then to apply for licences, that is, government permission to engage in illegal activities. These illegal activities include using water, cutting trees, storing fuel, and operating machinery off road.

In these licensing processes, all of the obligations rest with the proponent and none with administrators. Due process can be used by the boards as a tool to stall an application. Public servants can and do use their office to promote personal agendas, such as an extreme environmentalist viewpoint, or as a platform to exert aboriginal rights.

Requests from resource developers to have access to land and water can take years to be approved or declined. Often these are just simple requests for a tent camp and a few drill holes. Clear standards do not always exist, and regulatory compliance is a moving target. The process is expensive as well as time consuming for the proponent.

One way to promote investment in exploration and reduce strain on the broken licensing process would be to raise thresholds for which licences are required. A lone prospector is free to come and go on crown lands, camp where he or she wishes, and break rocks with hand tools. Above the threshold of 400 person-days, licensing an exploration camp becomes a significant obstacle.

I once provided helicopter services to a junior exploration company that was using a very small drill to explore magnetic anomalies that they had identified by airborne survey methods. This small drill was being used because it fell under a weight limit, half a tonne, above which permitting would be necessary. Unfortunately, the small drill was not adequate to collect the needed data and the project was abandoned. I last heard that the company was exploring in northern Alberta. If larger equipment had been allowed onto lands without following a full licensing process, perhaps this project would have attracted more significant investment.

I have two suggestions for improvements. First, I would propose higher thresholds within the regulations before licences are required. For instance, that 400 person-day camp limit could be raised to 2,000 person-days, still a very small camp. There is a 4,000-litre limit for fuel storage. This could be raised to 10,000 or 20,000 litres.

My second suggestion would be standardized licensing for routine activities with lower environmental risk. Exploration drilling comes to mind. These camps all work in much the same way; they have similar facilities, follow similar schedules, and use the same chemical products. Standardizing the licence and conditions of licence would make the system faster, more responsive, and leave the boards free to think about larger projects with more serious and complex consequences.

Once again I thank you for this opportunity to appear here today.

● (1545)

The Chair: Thank you, Mr. Sibbeston.

We'll now to go to Mr. Gemmer from Gem Steel Edmonton Ltd. for a presentation up to 10 minutes. After that we'll get into questions and comments.

Go ahead, please.

Mr. Bradley Gemmer (President, Gem Steel Edmonton Ltd.): Thank you, Mr. Chairman.

I'm Brad Gemmer. I started Gem Steel back in the early 1980s and actually have been in business since the 1970s. I know I don't look that old, but it's there anyway.

I started working in the Arctic in the early 1980s—about 1980-81—with Echo Bay's Lupin Mine, for which I did most of the plate steel work and all the big orange tanks that people use as...I don't know what you call that.

Anyway, they are there in Lupin, and since then, I've evolved to most of the major mines in western Canada, as well as all of the diamond mines, which have fuel storage that I supplied. Subsequent to that, we supplied Newmont up near Cambridge Bay, and as well we have just completed the first tankage up at the north end of Baffin Island.

I feel the best way to address the plight of the mining industry would be to go into a circumstance, which I have as kind of a sideline in conjunction with the business and the effort to have a placer mine as well as develop mining equipment to sell to placer miners both in Canada as well as internationally. There are companies in Vancouver; one is Goldlands. There are Knelson concentrators and Falcon Concentrators, all of which have been derived from placer miners trying to develop better equipment.

I started to be involved with the placer mine in the Yukon, in the southwest corner of the Yukon, about 12 years ago—initially with a partner and a couple of years ago I made a deal to take his position over. Subsequently I have been developing some pretty good machinery that will both enhance recovery and leave a cleaner footprint on the ground.

Everything was fine until I applied for a renewal of my licence. I applied in November of 2009 and I received the licence in 2010 in June. The licence was fine except it said that I could only go in there between the June 15 and July 15, which is the equivalent of telling your wife she can only go for groceries in one month of the year and she's going to have to pack and buy everything necessary....

I'm sorry, I didn't mean to discriminate against the women with that remark, but you would have to buy and plan every repair, everything you needed, and everything you might need in anticipation of only having a month of access. In addition to that, the access that was provided was in the flood time of the river, when the river that I have to cross is impassable.

The cause of this problem was an intervention by the Department of Fisheries and Oceans, which decided that after 12 years of going across the Tatshenshini River, without flaws, implications, or any detrimental effect on anything, they didn't want us crossing anymore.

We went—when I say “we”, that is myself and my advocate—to see the Department of Fisheries and Oceans, and we were promised last year and all through the winter, at least six times, that they would provide a letter of intervention to the water board that would allow expanded access across the river.

● (1550)

Gold was found on Dollis Creek, which is where the claims are, in 1926. Some of the biggest nuggets in the Yukon came out of that creek and it employed many people for many years. I had a crew of five or six people up there when I could work.

If we kept trying to get some assistance out of the Department of Fisheries and Oceans, things actually kept tightening up rather than opening up. I had built a large rubber-tired vehicle to safely cross the river in an area that was away from the land claims area of the Champagne fisheries and wouldn't be bothering anybody, but it was a much more severe place to cross than where everybody else crosses, which is at the point called Dalton Post. It would be about 15 miles or 20 kilometres north of the B.C. border.

Anyway, I built this larger rig to cross the river there, and as it turned out, the recommendation by the fisheries department was not only that I had to use that, and that was the only thing I could use to cross the river, but now everybody else was going to have to have a big rubber-tired rig too. Now, they have yet to come up with any kind of evidence of any detrimental impact on the environment, on the fish habitat, or the fish migration. There are only suppositions of what might happen, in spite of the fact that in order to count the fish, they put the fish into what they call a weir and the fish that escape—which is actually called the escapement—is what they use to count the fish. That probably doesn't hurt anything, but the passage of this vehicle takes three or four minutes, maybe five minutes if you're going slow enough, and it would be a pretty trivial amount out of a 1,400-minute day, and when you figure that out for a week or two, it's insignificant at the best of times.

The problem with all of this is that you have basically no way to argue with a person who's been planted in that kind of a position and wishes to pursue his own private agendas. There's no recourse. You have no way to deal with that. As I said, the circumstances just get progressively worse.

Now, as it is we're basically—and when I say “we”, I mean my employees and me—just hoping to find a way to get the Department of Fisheries to go back to where it was before, as this fellow who is in charge there now states that he plans to have the Yukon regulated within three years. That would mean that every mining company in the Yukon would have to address every stream that it passes in order to try to accomplish anything it wants to do. And that's not just the mining industry, but also the surveyors, the prospectors, and even the camps and everything—any effort to get in, other than maybe on the ice in a river in the wintertime.

They've suggested that I could use an ice bridge. It's almost as if they're hoping I will try to do something that foolish and have a catastrophe so that they can point their finger at me. With an ice bridge and a fast-flowing river like the Tatshenshini, what happens is the ice is frozen at maximum water flow. In order for an ice road or bridge to work, you have to have the buoyancy of the water underneath to support anything that goes over it. As soon as the water goes down and starts to freeze, you've got huge caverns, and if people attempted to go across and fell through, they'd be gone and you'd never see them again.

This is the kind of advice we're receiving, as you can see in some of these documents that you either have or will be getting.

● (1555)

I can't really say much more about my situation there, other than that it's impossible to work within dates outlined on a calendar if you lose an engine or you need parts or you need a.... We have a legislated requirement to even cycle the crew every 26 days, I believe, in the Yukon. It changes from one jurisdiction to the other.

We cycle in the north. I have the diamond mines, and we try to do it every three weeks, but we can get permission for extended times. Nevertheless, people have to get out when they're in isolated areas.

The dates we've been provided are totally unworkable, and I believe Fisheries knows that and has the intention of driving and setting a number of precedents by locking me out of the claims, one of which is a free miner's access to his ground. That blocked, up until very recently, a through access, but it's still considered part of the Yukon highway system. Some of the cattle drives and such that went up to support miners in the gold rush times came through that very road. It even has its own name: the Dalton Trail.

This particular Fisheries individual—and I'm not saying he's by himself or with a group, because I don't know—has decided to close that to only one person, and that's me. Anybody else can go across that river at any time they wish without restrictions.

If I have a little more time I can make some comments on the rest of the Arctic, if you like, or whatever you think, Mr. Chairman.

The Chair: Thank you very much, Mr. Gemmer, for your presentation. Hopefully, questions will allow you to give more information. I'm sure they will.

Thank you both very much for your down-to-earth, hands-on experience.

We'll go directly to the questions, starting with Mr. Anderson for up to seven minutes.

Mr. David Anderson (Cypress Hills—Grasslands, CPC): Thank you, Mr. Chair.

Thank you, gentlemen, for being here today.

We've heard stories somewhat similar to this for most of the last six weeks when we've been doing these hearings, but I don't think we have heard anything as specific as what you've talked about.

We've talked at different times about the process, and we've talked about the amount of regulation. I'm going to ask you a question I've asked a couple of other people. Is there an issue with the process, or do we just have too much regulation? The process can be fixed. Is there just too much regulation, or is it a combination of the two?

I'll ask you to keep your answers fairly short, because we don't have a lot of time.

Mr. Bradley Gemmer: If you're asking me, I understand that the regulations in British Columbia, which used to be terribly onerous, are now substantially less so than they are in the Yukon. The Yukon has to go through the Indian and Northern Affairs Yukon Environmental and Socio-economic Assessment Board, or YESAB, process, which involves the first nations as well as the local non-first nations.

I have a file here, to give you an idea. Every piece of paper relates to business. This is basically for the last two years, and I have more. But each one involved a cost—

Mr. David Anderson: Is that one project?

Mr. Bradley Gemmer: That's the only one, which I just spoke of. The regulation is part of it, but it isn't just the one-stop shopping. It's multiple-stop shopping, and then you go through the whole works only to have something like this happen. I worked under a water licence for 12 years and somebody decided to change the circumstances of everything I did.

Mr. David Anderson: Okay. We'll come back to that in a minute.

Mr. Sibbeston.

Mr. Glen Sibbeston: To answer briefly, I would say there are both, too much regulation and...how did you put that again?

● (1600)

Mr. David Anderson: Is it the process, or is there just too much regulation? Is there a problem with the process as well? It sounds as though there is.

Mr. Glen Sibbeston: The process is definitely difficult. It's not straightforward, and it's hard to understand. It differs from case to case.

Mr. David Anderson: Okay. I want to lead into my next question, then. When you started to get this change to your water licence, were you dealing with individuals? Did you feel there was a structure in place so that you could actually hear what they were saying and you had a chance to appeal, or did you feel it was being decided arbitrarily and you couldn't tell who was making the decision?

Mr. Bradley Gemmer: The way it works in the Yukon is that the Yukon Water Board publishes your application. Comments are made and come in from everywhere. The comments that come from the Department of Fisheries are generally followed pretty vigorously by the water board. Even though they don't really have an obligation to do it, they do it. I don't really know how the lower process works.

I will read one thing from a major mine in Canada that we worked for:

> The biggest bottle neck for the projects in the North especially Nunavut is the slow process to obtain permits (4 to 5 years...) and this is mainly due to the shortage of human resources or right human resources in the government's organisations...to analyse all demands for all the coming projects. It is going to [start getting worse] if nothing is done. Mining Companies [are looking] at other countries since the delays are too long in Nunavut.

These are people I've worked for. Anyway, there's more to that, but that's a general statement.

Mr. David Anderson: Yes, we've heard that before. People are moving south to some of the provinces or elsewhere, rather than have to deal with the complications they face.

Mr. Sibbeston, you talked about the different perceptions of land ownership. You said that we needed to complete the land claims, but that the industrialist concept of land ownership must prevail since it is industrial activities that the land is destined for.

Do you think folks in the north are ready to embrace that notion?

Mr. Glen Sibbeston: A lot are. There are some who aren't. The Dehcho tried to negotiate a land claim whereby they would co-manage the lands with the federal government. It was a circle of people and consensus was required. I think that's a pre-industrial idea that isn't going to work.

Mr. David Anderson: Maybe some other people want to follow that up.

For now, I want to talk about your two suggestions at the end, and maybe get Mr. Gemmer's thoughts on this as well. You're talking about higher thresholds within the regulations before licences are required. Can we do that without environmental impacts? Is that a practical suggestion?

Mr. Bradley Gemmer: Yes, I think so. Glen talked about the threshold as a camp of four or five people for a summer. When you get into the requirements, you have to have a medic, you have to have this, and you have to have that. There's a built-in group of people you have to have before you can even start—first-aid people, whatever. It makes it really tough to do something. You might have been able to get away with it 50 years ago. You took five people and away you went, and that was it. Nowadays there are a lot of requirements.

Mr. David Anderson: Typically the government has heavier requirements, and it ends up being heavier requirements for personnel that need to be around. But it hasn't made the changes to the standards.

Mr. Bradley Gemmer: Exactly.

Mr. David Anderson: The second suggestion had to do with standardized licensing for routine activities. Is that something that could work? We're looking for some practical things we can suggest in the report.

Mr. Bradley Gemmer: I think that's the most important thing of all. When the diamond mines went through their processing, one made it through without anything but promises. Speaking of BHP, they were probably the most community-minded mine in the central Arctic. But then Diavik came along, and they had to put up a $180 million bond. That's strictly financial. BHP, for example, went to a couple of communities and set up schools. It was a good thing, the kind of thing that's missing for the most part.

● (1605)

Mr. David Anderson: How do you see employment opportunities developing over the next few years? We've had a few people here talking about the necessity of employing local people and bringing the educational standards up. Is that happening?

Mr. Bradley Gemmer: There are two aspects to what happens. One is the ability of the native people to orient themselves to a regimented work day. On the other side of the coin, you might say they feel a bit inadequate because they haven't really been prepared for this.

I took a crew of about nine people from Rae. The BHP people set up a school there for them, and it was very successful. Most of them still have jobs with BHP or Diavik. So that's the kind of thing that is extremely beneficial to pulling it off at all, as far as employment goes.

The Chair: Thank you, Mr. Anderson. Your time is up.

We'll go now to the New Democratic Party and Monsieur Lapointe for up to seven minutes.

Mr. François Lapointe (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, NDP): Thank you, Mr. Chair.

My English is not bad, but I stand for linguistic duality in the country. I come from Quebec.

Thanks for the full seven minutes.

[*Translation*]

My questions are mostly for Mr. Sibbeston. But don't hesitate to speak up if you have information to add, Mr. Gemmer.

Your report is very interesting. As one of my colleagues opposite mentioned, your presentations are striking in that you provide very clear suggestions, focused on the actual situation. Some things are not clear to me but that is likely because of my lack of knowledge about the northwest of the country. So I would like to explore that with you a little.

Let me start with your three priorities. It says here that the Northwest Territories Chamber of Commerce named you Business of the Year. Is that right?

[*English*]

Mr. Glen Sibbeston: Yes, Trinity Helicopters received a business of the year award for 2011.

[*Translation*]

Mr. François Lapointe: My congratulations. That is great; well done!

[*English*]

Mr. Glen Sibbeston: Thank you very much.

[*Translation*]

Mr. François Lapointe: You talk a lot about transportation costs and the need for more highways, I believe. Your figures seem very precise. You say that, when you are less than 300 km from a highway, the cost goes from $1,000 to $500 per tonne, and so forth. Do you have you studies that support those figures?

[*English*]

Mr. Glen Sibbeston: I don't have any studies. You have to understand that some slides were not included in this presentation, and I believe you'll receive them in a couple of days.

That's based on experience in helping clients achieve their transportation goals over about the last 12 years. We're normally talking about smaller companies, not the big industrial concerns. Most of them understand the situation quite well and are prepared. They'll hire a large airplane if that is the most efficient thing to do. They'll hire a bush plane if that's what they really need. After the bush plane drops them and their gear, I show up with a helicopter and carry them to their final destination, along with all of their things, one load at a time.

I've developed a pretty good sense of how much it costs, and that's the foundation for it.

[*Translation*]

Mr. François Lapointe: So the figures are based on your clients' experience, on your clients' assessment of their experience. They are not from a study possibly done by an organization in the Yukon, for example.

● (1610)

[*English*]

Mr. Glen Sibbeston: It's not a formal study.

[*Translation*]

Mr. François Lapointe: You make a strong case for building roads that would allow transportation costs to drop to 10 ¢ per tonne, but your own company can charge $20 per tonne. That is very commendable of you. I was very impressed by your sense of community. At first sight, that kind of development does not do your company any good. I continue to be impressed.

Be that as it may, we are talking about serious money being invested here, because we are going up to the 60 th parallel and beyond. How do you see those investments? Are they mostly private or public?

[*English*]

Mr. Glen Sibbeston: I expect that in the past partnerships pushed the roads out past the last boundary between an industrial concern and government—sometimes more than one level of government. That's how it normally happens.

I'm not suggesting that the federal government should build a road to nowhere or anything like that. But if the federal government had policies and created an environment that assisted industry in pushing the frontiers of the road north, the investment would be paid back many times in the future.

[*Translation*]

Mr. François Lapointe: In practical terms, how could the federal government support the implementation if not by investing money?

[*English*]

Mr. Glen Sibbeston: In some cases it's with a percentage. There are a lot of different mechanisms that could work—tax considerations....

Mr. Bradley Gemmer: Churchill was a very successful port for wheat until a few years ago. It was intended to be a major seaport. It has been there for hundreds of years—I don't know how many hundreds—since the English built a fort there. From northern Manitoba to Churchill there is a short railroad, and anything you want to send to Churchill has to stop at Thompson, be loaded onto a rail car, tied down, and then sent for only a couple of hundred miles by road.

[*Translation*]

Mr. François Lapointe: And that has not yet been done, though it should be?

[*English*]

Mr. Bradley Gemmer: No. There is a railroad but no road.

[*Translation*]

Mr. François Lapointe: I understand. Now I would like to move to a second point in your order of priorities, Mr. Sibbeston.

There was quite a strong statement about agreements that have been impossible to reach with the Dehcho First Nation. You say:

[*English*]

“take advantage of a lack of awareness” and “hard-nosed adversarial attitudes”.

[*Translation*]

That is a pretty strong statement. What actually happened during the negotiations that caused such a harsh judgment? Was the behaviour of the government justified? What could be done to prevent the same thing happening again?

[*English*]

Mr. Glen Sibbeston: I really think that attitude existed. It certainly wasn't policy, but that was the undercurrent. There was an adversarial atmosphere between the two sides. I think it really stemmed from the lack of understanding of some fundamental cultural differences between....

● (1615)

[*Translation*]

Mr. François Lapointe: How was…

[*English*]

lack of awareness

[*Translation*]

… of the First Nation demonstrated? What happened? Was the offer a ridiculous one?

[*English*]

Mr. Glen Sibbeston: The offer made to the Dehcho First Nation proposed chunks of land in the Dehcho region that were smaller per capita than neighbouring areas had been awarded. They had schemes, like surrounding the communities with large chunks of land. They had a couple of alternatives, but they certainly didn't centre the land offerings on areas that were known to have good mineral and energy potential.

[*Translation*]

The Chair: Thank you, Mr. Lapointe.

[*English*]

Your time is up.

Mr. McGuinty, go ahead, for up to seven minutes.

Mr. David McGuinty (Ottawa South, Lib.): Thanks, Mr. Chair.

Thank you, gentlemen, for being here. I really appreciate it.

Mr. Sibbeston, I really appreciated your two practical suggestions for improvement. It's exactly the kind of thing we're looking to hear more about.

Can I go back and explore a couple of comments made by both of you, just to get more clarity?

In your brief, Mr. Sibbeston, you talked about costs, the costs of shipping, the comparative costs of shipping, which were very helpful for us to understand. In this week's *Hill Times* there's another ad by a company out of Montreal, Discovery Air Innovations, who are now talking about remote shipping. They're claiming they're using 67% less fuel than traditional heavy-lift aircraft, without disturbing fragile permafrost, watersheds, or wildlife.

Can you give us an understanding, and Canadians an understanding, of how advanced this new industry, this new technology, is, and how feasible it is?

Mr. Glen Sibbeston: I used to work for Discovery Air, the company championing that project. I also was in the military with some of the people involved in that. Having said that, I don't know the intricate details of how it works. But if they're able to build a working, reliable, practical aircraft based on that concept, that will bring the cost of accessing the north down considerably. It won't bring it down to the extent that a road would.

Mr. David McGuinty: But it would help.

Mr. Glen Sibbeston: It would certainly help. It will. That would be a very useful tool in developing and exploring the Arctic.

Mr. David McGuinty: It might be something a federal government might well want to consider supporting, in terms of its research, its design, its improvement, and so on over time, as we seek to open the north in more remote areas.

Just hold your thought on that one. I appreciate your insight.

I'd like to go to another comment you made about due process. You say in your brief:

> Due process can be used by the boards as a tool to stall an application. Public servants...

—"public servants", you say—

> ...can, and do, use their office to promote personal agendas—such as an extreme environmentalist viewpoint, or as a platform to exert aboriginal rights.

Now, we had another witness come here several meetings ago, Mr. Donald Bubar, from Avalon Rare Metals. Mr. Bubar made similar comments, except he said that in his view, there was a very strong bias against developers, in the Northwest Territories context—very anti-development. I didn't have a chance to ask him whether he wanted the panel to be pro-development, and I'm assuming that's not what he was suggesting. Do you have any evidence, practical cases, when you claim that public servants are promoting personal agendas, such as "extreme environmentalist viewpoints" or "a platform to exert aboriginal rights"?

This is a very serious claim to make. It would be very helpful for us to know if that's case, as we struggle with this question of regulatory reform.

● (1620)

Mr. Glen Sibbeston: I don't have anything that would be considered reliable evidence in the context of a court or at that level.

The Northwest Territories is very small. Over a lifetime, you get to know a lot of people, perhaps a good fraction of the people who are living in the jurisdiction. You get to know people well enough to characterize them, and then you see or hear things coming from another direction.... It's more like the way the wind is blowing than specific concrete examples of.... You have to understand, I've never been a proponent seeking a licence in any way. I work for them. I share the frustrations, because I just want to do some work.

Mr. David McGuinty: Fair enough.

Can I go to the third theme? This is on the issue, again quoting from your brief, that "if Canada is going to make best advantage of its resources, we need to align our interests with those of the First Nations". You talk about completing the land claims, which is an important issue, in such a way that aboriginal people "prosper as their lands produce".

This is another question I have put to other witnesses. I'm trying to get an indication of just how mature our relationships are with first nations. Would you agree that one of the biggest stumbling blocks to progress in the minds of first nations leaders is not just land claims but actual full-equity participation in these projects as owners—not employees or subcontracted small business people but as owners—of these projects? Do you think that is the next logical step that has to be taken to be able to deal with first nations as full partners?

Mr. Glen Sibbeston: Equity is a concept that is a long way up the industrialists' concept of property ownership. Mr. Gemmer mentioned having a hard time even with a regimented work day. I think there are, of course, individuals who are fully capable of holding or directing equity. I think that in the population—let me speak specifically of the Dehcho—there is a lot of learning yet to be done if people are to participate fully in the market economy. To have enough discipline to hold a trade is something that only a fraction of the people in the Dehcho have attained. To go on to own a business requires more discipline still.

Have I been clear?

Mr. David McGuinty: That is very helpful. Thank you.

The Chair: Thank you very much, Mr. McGuinty.

We will go now to the first five-minute round, starting with Mr. Lizon, for up to five minutes, please.

Go ahead.

Mr. Wladyslaw Lizon: Thank you, Mr. Chair.

I would like to direct my first question, through you, to Mr. Sibbeston.

In your presentation you referred to the Dehcho First Nations and the offer that was rejected. What brought you to the conclusion you presented to us that the federal government and others were trying to take advantage of the Dehcho First Nations with that offer? Why would you come to that conclusion?

As you probably very well know, in any approach to a project or to exploration or eventually to a mining project, the project has to be very widely assessed on the economic side, as well. Anybody who wants to explore and eventually mine is looking for a profit. If the undertaking were not profitable, they would withdraw. They would not proceed.

Why would you come to the conclusion you presented to us?

● (1625)

Mr. Glen Sibbeston: The quantum of land that was offered was, per capita, lower than what had been settled in other areas, for one thing.

The proposed lands that were suggested by the Dehcho likely were not the most productive lands. The federal government knows from history...there's an oil exploration history there, and a mineral energy resource assessment had been done throughout a large part of the region at about the same time. Short of being known, these likely resources were more or less avoided and taken out of the....

I would say it was not exactly in good faith. The offer that was made certainly wasn't generous on the part of the federal government negotiators.

I'm not inside the minds of the people and what they knew about the thoughts and the capacities of the Dehcho leadership with respect to their knowledge of resources under the land.

It went one step further. The Dehcho leadership took their marching orders from the elders, and the elders had one agenda: to protect the land. That was why they proposed a co-management model where they would preside over 100% of the land in the area—

The Chair: A point of order, Mr. Harris.

Mr. Richard Harris (Cariboo—Prince George, CPC): Just so we have a better understanding of the situation Mr. Sibbeston is talking about, could he maybe tell us when this was happening?

The Chair: Thank you, Mr. Harris.

Mr. Sibbeston.

Mr. Glen Sibbeston: The Dehcho process began in approximately 1998-99. The offer was made by the Government of Canada in 2006 and was rejected. I believe it's been more or less quiet since 2007. There has been very little progress in that regard since 2007.

Mr. Richard Harris: Thank you.

The Chair: Just go ahead and finish your response to Mr. Lizon.

Mr. Wladyslaw Lizon: Mr. Chair, just to help, what I'm getting at is this. Is it possible that in the situation described...while you're suggesting there was a lack of good faith, maybe it was all that could be afforded at that time, given the circumstances. Why would you stress lack of good faith in this situation?

Mr. Glen Sibbeston: I guess that's my perception, sir.

Mr. Wladyslaw Lizon: It's not based on any real evidence. It's your perception. Is that correct?

● (1630)

Mr. Glen Sibbeston: I would suggest that it was probably the prevailing perception among the Dehcho. That was the feeling that was left.

The Chair: Thank you, Mr. Lizon. Your time is up.

We go now to Mr. Trost, for up to five minutes.

Mr. Brad Trost (Saskatoon—Humboldt, CPC): Thank you, Mr. Chair.

Thank you to our two witnesses for being here today.

There was some talk earlier about how a smaller company, because of certain thresholds, couldn't afford to go on. It brought to mind a story I'd been told by a friend when I worked in the territories, of how he had been offered a share of a little company in exchange for work. He had been offered it for many years.

That little company from which he turned down work-for-shares property now runs one of the diamond mines up north. So little prospectors are often very tight for funds.

How often do you think it happens, in your experience, that individual prospectors, people who are two-, three-, or four-person firms, end up unable to proceed with their work plan or go ahead because of these regulations? Is this frequent? Is this rare? Effectively, do we now have...if it isn't a company of a certain size, it practically can't operate? How frequent are the sort of stories I referred to and that you shared earlier?

Mr. Bradley Gemmer: I would say that it's extremely frequent and that it was just a fluke they found the diamond mines. As you said, he was flat broke. In fact, he was staying in one of my guys' houses and he was kicked out because he was filling up the back yard with sand and crap.

I would say it's the predominant case that lots of people spend their whole life—

Mr. Brad Trost: So now to get into the business you're going to need a few hundred thousand dollars capital behind you?

Mr. Bradley Gemmer: Well, there are prospectors, there are small mine developers, and then there are big mine developers. Prospectors go out and get some money. Once they have some values, they get some money, and then they all hope to sell to bigger outfits, and they're hoping the bigger outfit is big enough to put them over the threshold where they can actually do something.

Mr. Brad Trost: The more people you have prospecting, the more potential there is for mines up the ladder, so if the bottom of this pyramid is cut out, we end up losing mines at the top.

Mr. Bradley Gemmer: That's right.

Mr. Brad Trost: I don't know how much experience you have working in other jurisdictions. I was visiting with a friend who is going to be doing placer mining—again, in British Columbia. He's not very familiar with the regs anywhere else and I was asking him about it.

Compared to working in the territories, what other jurisdictions have you found to be useful? Do you have any experience anywhere else? Where do you hear that it tends to be better for particularly small companies in dealing with regulatory environments?

Mr. Bradley Gemmer: I don't think a small company could do anything in the Northwest Territories or Nunavut. You're not talking about $100 million or $200 million; you're talking about half a billion dollars to pretty well get a mine going. I would say that would probably be the minimum now: $100 million to do the permit, then usually they buy out somebody for their land, and that's anywhere from that amount on up. I think Agnico-Eagle paid $300 million or $400 million for the land at Meadowbank.

Mr. Brad Trost: A project that I worked on when Cumberland had the land....

I guess my question was, have either of you worked in any of the provinces, and do you have any comparisons between the provinces and the territories?

Mr. Bradley Gemmer: I've only talked to people who are now working in British Columbia. They found it much more streamlined and easier than the Yukon.

Mr. Brad Trost: Let me ask another question.

In the territories, Indian and Northern Affairs tends to have a predominant lead role when it comes to a lot of the regulatory processes. For some things I can see why they would continue to have that.

Do you think it might be a good idea to shift some of the regulatory processes from Indian and Northern Affairs to another department, say Natural Resources, which would have a different culture or different approach? INAC has a certain history and a certain mandate and a certain culture, as do all of the departments. Do you think that might be helpful to get a more streamlined process for regulatory reforms?

● (1635)

Mr. Bradley Gemmer: My experience in Nunavut would suggest that the people, not having spent their life behind a desk or anything.... What's required is a way that they can be assisted in their efforts—I don't want to use the word "led" or anything—with them instead directing what happens from a supervisory position. One of the guys on Baker Lake said, "If I approve it, it's just going to mean a whole bunch more work for me." And that's true, because they don't have that capability or desire to do that kind of—

Mr. Brad Trost: How do you incentivize people to want to do a whole bunch more work? The more work we have, the more prosperity can come there.

Mr. Bradley Gemmer: Well, they like to be involved and they have a keen interest in stuff; they don't like to be bypassed, but they don't want to be in a situation where it is all on their shoulders to make these humongous decisions—

Mr. Brad Trost: Do we do timelines? Do we do financial incentives? What do we do to get this thing to be more efficient?

Mr. Bradley Gemmer: Money means nothing. They're all making what they need to live. They don't have money. They get certain assistance for their heat and power. Then they go out on the land. The need is for them to be supervising a group that will oversee the things going through, and go to them and say, "What do you think about this, Joe? Is this going to work for you or not?" There are not that many people up there. To have the onus be put on the few who are willing makes it really tough.

The Chair: Thank you, Mr. Trost.

We will go now to Mr. Stewart, for up to five minutes.

Mr. Kennedy Stewart: Thank you, Mr. Chair.

I find this a very enlightening conversation. I thank you both very much for your presentations. Maybe both of you can reflect on this. Perhaps you might say there are two norths in a way. There is the one north where you have first nations who have signed treaties and have settled land claims. That's where we have heard from other companies, including your own, where the work seems to get done and where you can go through the permitting process a little faster. You can build relationships, there is co-management, or companies like your own are able to operate in these areas.

But on the other side we have a very different north. That is where we don't have any treaties, or with first nations we have treaties and we have disputed land claims. Essentially, that seems to be the main place where the hang-ups are. Maybe I'm mistaken here. I guess it comes back to the Constitution, of course, under which, in section 35, first nations have rights that are protected. And where there is clouded title on lands, there has to be—in my mind anyway—a government-to-government negotiation on how those settlements are going to go forward. It's not simply just moving land from, say, under the jurisdiction of INAC to Natural Resources. It's actually getting down to the fundamentals of who is in control of the land.

I see you nodding, Mr. Sibbeston. Could I perhaps—and Mr. Gemmer after—have your comments on that thought?

Mr. Glen Sibbeston: My understanding of it is that the relationships between...actually go back to the Royal Proclamation of 1763, if I'm not mistaken, where the Crown of England was dealing with the first nations as peers. All of that transcends the Constitution and all of the government functions of Canada. I believe the courts are seeing it that way.

● (1640)

Mr. Kennedy Stewart: If I could just—

The Chair: Mr. Gemmer, did you want to respond as well?

Mr. Bradley Gemmer: You're right. There are probably two at least, and maybe three. There's the eastern Arctic, the northern Arctic, we'll call it—Yellowknife and Glen's area—and then of course there's the western Arctic, where there's more proximity to western culture. People have been more exposed to it.

In the eastern Arctic, with the resource revenue policy, which I think was just recently passed, the native population will become the richest per capita probably anywhere in the world. The Baffinland project alone is going to put billions of dollars in royalties in their hands. Once you get people, and you ask what motivates people to do things once they have no need, it then becomes a real problem to get things like this going.

I don't know if I'm wandering off here or not. The experience I have is that they need very little, but they have TV piped in that shows them everything that they will never have. It shows them environments they will never see. It shows them experiences they will never have. This is a huge problem. They also have an incredible weakness for junk food and stuff like that. There is going to be a massive diabetes problem up there. Anyway, I had to throw that in because I wouldn't feel right not to.

Mr. Kennedy Stewart: Mr. Gemmer, you say that would characterize all first nations in the north?

Mr. Bradley Gemmer: I would say that's the eastern Arctic. In the western Arctic, in the Yukon, they're exposed; they're very sensitive to money. They all drive the best trucks they can and have had significant wins on a lot of cases. But that's not for all of the native population either. Certain ones have been very fortunate and others haven't been so fortunate. It's always going to be a problem.

The central Arctic, I would say, is as Glen has portrayed it.

Mr. Kennedy Stewart: Mr. Sibbeston, might you have a different perspective?

Mr. Glen Sibbeston: Regarding the eastern Arctic, I have a friend who worked up there as a nurse, and he related a story to me about how he had tried to explain to them that the pop and the chips were junk food. They refused to accept the notion that somebody would create junk food. They kept eating it.

Mr. Kennedy Stewart: There are all kinds of new things happening up north.

I was just wondering, in terms of moving ahead—I know my time is short here—would you say that at least in the west, where we don't have the treaties...? I'm from British Columbia. Almost the entire land base of British Columbia has not been settled. Do you think that would be the first thing we could do to develop the north, to make sure those are settled?

Maybe I'll start with you, Mr. Sibbeston, and then move on to see how we could help change the regulations.

Mr. Glen Sibbeston: Once it's clear who owns the land, then everybody can move forward. It is extremely difficult when the lands are contested. Rightly, the federal government has their hands tied as far as granting.... There's only so much they can do; they need the consent of the aboriginal peoples who have claims to the land. So you have more parties that need to agree to make something happen. Once the land claim is settled, if it falls on the claimed land areas, then the ownership is known, and if it's on crown lands, they're crown lands. It's much simpler and easier, and more gets done.

The Chair: Thank you, Mr. Stewart.

Mr. Harris, go ahead, please, for up to five minutes.

Mr. Richard Harris: Thank you, Mr. Chair.

Gentlemen, on that same subject—Mr. Kennedy brought up British Columbia land claims—it's a common assumption or understanding that over 110% of the land mass in British Columbia is under claim, because of the overlaps. To someone looking from the outside in, it would seem like an impossible situation, and at the end of the day perhaps it is.

What that means in the minds of some people is that the entire province of B.C., including downtown Vancouver, downtown Prince George, downtown Kelowna, is not crown land—whether it's municipal, provincial, or federal—but rather is owned by first nations. When I look at the word “conundrum”, I think of a perfect example, because there doesn't seem to be, first of all, any logic to the fact that this situation can happen. Secondly, there doesn't seem to be any way out.

I recall some land claims up in your area. I was involved in the Yukon land claims way back when, in the mid-nineties, and then the ones that were just south of the Yukon border in northern British Columbia. I can't remember the name of that particular area. Given the length of time it takes to sort those out, it seems like an impossibility. When you're talking about the exploration in the Arctic and you have the land claims, and then you couple that with the regulatory system, and then you couple that with the environment, and you couple that with, as you pointed out, people who appear to have their own agendas, it's a wonder we have anybody up there who's prepared to put in the investment in time and money to get the minerals out. I suppose if it weren't such a rich area for mineral exploration, there wouldn't be anyone up there.

I'm trying to think of a question here, but maybe you could just give me an assessment of some of the things that I've just brought up.

Talking about the length of time, it's no better in British Columbia. I have a mine in my riding. It's been 17 years and $100 million, and they just had another injunction thrown at them. So you wonder why they don't pack up their cash and head to another country; it's so much easier.

Anyway, could you give just an assessment?

● (1645)

The Chair: Go ahead, Mr. Sibbeston.

Mr. Glen Sibbeston: I know there's a fear of giving title to the land, to large pieces of land. If it was done right, I think everybody could do very well by it.

Let me give you the example of the energy industry in Alberta, where lands are serving dual purposes. The land is being farmed, and with some disruption, not too much, it's also being used to extract energy. So more than one party can make good use of the land.

Mr. Richard Harris: I just want to throw something out that I forgot, that I've been dying to say, because it's a common thought.

Behind every land claim and conundrum, there appear to be a battery of lawyers and consultants who have got their hands around that cash cow and are just milking it for everyone. And the common thought is that they never want this to end because it's just too good.

Do you agree with that in any way?

Mr. Bradley Gemmer: I would say that it has been rumoured. I can't be more polite than that.

Mr. Richard Harris: I'm going to get calls tonight.

The Chair: You still have time for one more question, Mr. Harris, if you'd like.

Mr. Richard Harris: Can I go back to Discovery Air Innovations, which Mr. McGuinty brought up? I know that on the first one on the drawing board, there's talk of about 50 metric tonnes of lifting capacity, but they also talk about the dream one, which would be about 200 metric tonnes of lifting capacity.

I see there was a geoscience fair up there earlier this month. I wish we had known. It would have been a good place for us to be—up in Yellowknife.

You look at this concept of an air ship with that type of capacity: environmentally friendly, slow moving, of course, but a huge lifting capacity. And it doesn't need a runway, just a flat spot or a lake.

Does it sound as intriguing to you as it does to me, you being from that part of the country and knowing the logistics problems of getting things around?

● (1650)

Mr. Bradley Gemmer: My understanding of the airship is that the problem becomes ballast. If you dump 20 tonnes or 50 tonnes, then of course you have to either load it up or recompress your buoyancy gas. So it's probably not without a lot of flaws, and it has taken a long time. Of course, hydrogen, which is relatively easy to produce, didn't do so well in the Hindenburg, but helium is a pretty scarce commodity too and not as readily available as hydrogen, by any stretch. Actually, Cumberland were looking at that when they looked at that Meadowbank site. They were thinking about using that, but it wasn't far enough along.

Mr. Richard Harris: Yes, they're talking about 2014, I think, for the possibility.

The Chair: Mr. Harris, your time is up.

We go now to Monsieur Gravelle, for up to five minutes, please.

Mr. Claude Gravelle (Nickel Belt, NDP): Thank you, Mr. Chair, and thank you to the witnesses for being here.

Mr. Gemmer, you're a steel company from Edmonton. I'd be interested to know if you do any work for the Keystone Pipeline.

Mr. Bradley Gemmer: No. Basically I've been servicing the Arctic, and that's not pipelines but tanks and plate work.

Mr. Claude Gravelle: All right. Are you not getting any work at all from the pipeline?

Mr. Bradley Gemmer: I would have to say that on either end of any pipeline there's a storage facility that may involve me, but typically I've been working with the mines.

Mr. Claude Gravelle: All right. Thank you.

I can't remember which one of you two said there are a lot of delays in getting permits. I'd like to know who's responsible for these delays. Is it the federal government, the territorial government, or the first nations, or a combination of all of them?

Mr. Bradley Gemmer: I think what's lacking is a finely tuned process where instead of doing it step by step by step, one can do it at the same time. It's going to take some time to establish, but we need a set formula whereby each company can go through the proper procedures and expect a proper outcome. A hundred million dollars to do a permit is a lot of money.

Mr. Claude Gravelle: Are you saying that there should be the same rules for every project, even though the projects might differ considerably?

Mr. Bradley Gemmer: Whether it be a mining or a pipeline project or a road, or whatever, it should have a formula that is followed wherein certain things are submitted to the board and they assess them. I don't think the actual nature of the project has much to do with it. There are things such as settling ponds, which have to be addressed by people who are familiar with settling ponds.

Mr. Claude Gravelle: I think you're saying that if we're building roads, we should have the same rules as if we're building a mine. Is that what I heard you say?

Mr. Bradley Gemmer: Usually, they all work together. A road leads to a mine, for example, but the whole program should have some predetermined steps, which could be established through the history of how one goes through all these projects to get to the end. They all follow different paths, and they reach obstacles, and each time they reach an obstacle they step back and take another run at it —maybe in the same direction or another direction—but overall they probably all go through the same procedures, but with different paths and dealing with different people. Each time there's a new group of people there, of course, it's a whole new program again.

● (1655)

Mr. Claude Gravelle: From the past witnesses we've had on this committee, I believe that no real land claims have been settled in the far north. Is that correct?

Mr. Glen Sibbeston: The whole of Nunavut was settled in one claim in 1999. In the Northwest Territories there are seven claim areas. Four have been settled and three are outstanding. The three that are outstanding are probably about half of the Northwest Territories.

Mr. Claude Gravelle: So if we had a settlement on the land claims with the first nations, would that benefit companies going up north to do some work?

Mr. Glen Sibbeston: Absolutely, from the point of view that the ownership of the land becomes more definite and certain. That's one aspect of it.

Mr. Claude Gravelle: Just a change of pace here.

When I used to work in the mines and the production got to be $2 a tonne, there was panic that the costs were way too high. Now you're saying in this report that it's $2 per kilometre, in one circumstance, and then if you use a bush plane it's $10 per kilometre, and if you use helicopters I believe it's $20 a kilometre. If the costs are that high, and the companies are still investing $1 billion to get a mine going, there must be a tremendous amount of profit to be made in the north.

Mr. Glen Sibbeston: I think there absolutely is. The north of Canada has been blessed with some fantastic mineral wealth and energy wealth. There isn't a lot of overburden in a lot of areas, so it's easy to explore in a lot of cases. You have access, close access, to the bedrock in a lot of cases, so you can see what's there. That doesn't exist in places like Saskatchewan, except for in the northeast corner. So there are some advantages as well.

Now, you have to understand that in my specific business I'm at the very front end—the very leading exploration—when the helicopters and bush planes predominantly come in. By the time someone has invested enough money to start talking seriously about a mine, they're either into building ice roads or at the very least they have a nice long runway for the operation of jet aircraft. That's how they're able to drive the costs down. But building an infrastructure like that is a significant investment in itself.

Mr. Claude Gravelle: Yes, it is a significant investment, and $1 billion to invest in a mine is a significant investment. But if you invest $1 billion to build a mine and a road, and everything that goes with it, and, at the end of the day you're raking in $5 billion a year, that's a pretty good profit, isn't it?

Mr. Glen Sibbeston: I think there is excellent potential for companies to really do very well.

The Chair: Thank you, Mr. Gravelle.

Mr. Allen, for up to five minutes. Go ahead, please.

Mr. Mike Allen (Tobique—Mactaquac, CPC): Thank you very much, Mr. Chair, and thank you to our two witnesses for being here today. It's good to hear some good, practical experience. In some ways, it's good to hear it and in some ways it's not so good to hear it, but good for our report, I think.

Mr. Sibbeston, I'm fascinated by the company and the corporate structure of Deton'Cho, I guess it is. Trinity is a Deton'Cho company, but there are actually 20 companies under the Deton'Cho operation, which is a development arm of a first nations community. Can you talk a little about that structure? It sounds like a tremendous corporate structure they have in that first nations community. Can you talk a little about that?

Secondly, what are the benefits that are accruing to the aboriginal communities in terms of dollars and employment?

Mr. Glen Sibbeston: I'm not at the top corporate level of the Deton'Cho Corporation, but I'll express what I know. It is the development arm of the Yellowknives Dene. As you say, they have approximately 20 companies. It's a northern company. It started with trucking and earthworks and those kinds of activities, and then as people from the Yellowknives Dene, or people from Yellowknife who had aligned themselves with the Yellowknives Dene, showed up with expertise in a different area or in a different field, they would create another company. They were very successful from fairly early on, I understand, and were able to spread out, diversify, and now they have this whole conglomerate.

Trinity Helicopters happened because a helicopter pilot who wanted to start a helicopter company approached them and said he would like to get involved with them. They were the financial backing, to a large extent. The president, whose name is Rob Carroll, offered the know-how in the helicopter industry and how to go about creating a helicopter company, and it went from there. He brought in a couple more managers. Trinity Helicopters is 51% owned by the Deton'Cho Corporation and 49% owned by managers.

We do have a mandate, as all of the Deton'Cho companies do, I believe, to hire and train northern and aboriginal people to the extent that we can.

● (1700)

Mr. Mike Allen: How many northern aboriginal people would you actually have working for Trinity Helicopters? I see you have some postings for jobs there for pilots, for mechanics, as well as for some administrative people. How many do you have working for Trinity?

Mr. Glen Sibbeston: I believe I am the only one. I'm the chief pilot.

Mr. Mike Allen: You're chief pilot, so that's not too bad.

Mr. Glen Sibbeston: I'm talking with a young man from Cambridge Bay, a 100-hour pilot. You have to appreciate that a helicopter pilot is a long way up the skills ladder, so you really have to be careful who you send out with your million-dollar machine and your best customer. It doesn't necessarily always work out well. There's another young man in Dawson I've had conversations with but haven't met, but I'm going to be engaging with both of those individuals. I'm willing, and the company is willing, to work with them to get them into the industry, to get them the skills they need so they can be successful in the industry.

The will has to be there from their point. It is simply not possible to get somebody up to the skill level to send them into the Arctic with a helicopter, and take that responsibility, if they're not willing to put in a lot of hard work.

Mr. Mike Allen: Okay.

Mr. Gemmer, what are the major pieces of equipment that you've been sending up to the mining companies, and what are some of those challenges that you've had in terms of getting that equipment there? How do you see overcoming some of those things?

Mr. Bradley Gemmer: Probably the biggest difficulty...and it goes along with the time necessary to do the permitting and stuff. For the Baffinland job, for example, we would process material in March and April and send it to Montreal. It would wait for the boat, and the boat would take it up there. In the fall, we managed to build what we'd call a smaller tank, 84 feet in diameter, for about 5 million litres. But we will be going back next spring to use the rest of the steel we sent up. That involves all of the equipment to build the bases, which I didn't necessarily supply, but it had to be there in order to do that.

You have a minimum delay of a year from the day that you're given the go-ahead, let's say. Everything else that's done any quicker than that is done as a speculation play, hoping.... If you want to go along with the example of Cumberland, which was mentioned, I believe they were waiting for two or three years for permits, but I think the average is four to five years. So once you get that....

The Chair: Thank you.

Thank you, Mr. Allen. Your time is up.

Mr. Mike Allen: Thank you, Mr. Chair.

The Chair: Madame Day, for up to five minutes. Go ahead, please.

[*Translation*]

Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP): Thank you, Mr. Chair.

First, let me congratulate you on your company. As I understand it, you provide people who do mining research or set things up. You get sites going so that work can then be done.

I was listening to your earlier comments about unhealthy eating and about the fact that they perhaps do not have what they need to handle all the things that might come their way. People in the south —and I am not talking about the United States or countries that are really in the south—are beset with problems of this kind, especially diabetes. It is widespread. So it does not just affect Aboriginal peoples. Anyway, I will pass over views like that, views that clearly I do not share.

Could you tell me if you have employment obligations to Aboriginal peoples and, if so, if you have hired any Aboriginal people up to now? Do you have training obligations to Aboriginal people, or is it just large mining companies that look after that?

● (1705)

[*English*]

Mr. Bradley Gemmer: Are you speaking of me personally or of the company?

The variety of areas that I work in go from the west coast of Alaska to the north and east coast of Baffin Island, which encompasses all of Canada. We work...I shouldn't say in spasmodic fashion, but we do a big project here or there.

When we were working north of Yellowknife with the diamond mines, we were hiring people from the local communities there. In the eastern Arctic we had spotty, irregular workers. Either the work didn't interest them, or whatever. We tried our best, but they didn't seem to want to participate in that kind of work. It wasn't their forte, I guess you would say.

That's about all I can say. We try to the maximum, but it's highly specialized work, and people who are not familiar with machinery and equipment, cranes, welding.... There are many things to familiarize yourself with. Most of the people we take have been in the business for many years before they are able to participate fully.

We have tried. In all instances, we put a notice in the community —it might be in a Northern store or a community centre—that we are interested in hiring local people. We've had some success, but not a lot. This is how I got to the concept that the most success I had was when the company, a year ahead of time, developed a school to train people how to work, which is a skill in itself. You assume it—you take a lot for granted—but when people have never had to do anything, to measure a board or a piece of steel or something, all of these things are major things to learn, for people who have never done it before.

We tried and continue to try our best at this, but many of these places are a long way from any communities, and much of the native help in those locales come in from communities that might be 300 or 400 miles away.

In my exposure to the native people I find them family oriented, too; they don't like to be away from their families. They have a very closely knit organization among themselves, and sometimes being 20, 50, or 100 miles out of town represents another problem.

[*Translation*]

The Chair: Thank you, Ms. Day.

● (1710)

Mrs. Anne-Marie Day: Thank you.

[*English*]

The Chair: Your time is up.

Mr. Trost.

Mr. Brad Trost: Thank you, Mr. Chair.

Just to follow up on one of my last questions, asking about negative or positive incentivizing, either by putting timelines on or tying various other things to it, I was referring mainly to government bureaucracies and government organizations. Let me be more direct.

Particularly with government bureaucracies, organizations, and permitting operations, what do you feel would be the best thing, across the board but also particularly for smaller operations, to speed the process up and to give a certain level of certainty? What steps concretely could we recommend to make the process simpler and more direct, for smaller enterprises in particular and for all enterprises in general?

Mr. Bradley Gemmer: When you build a house, you go to the county, and they'll give you a list of things you have to follow—your engineering and building permits, all the different permits and stuff.

Mr. Brad Trost: Is there one place to list all the permits you would need for mining and exploration projects in the territories?

Mr. Bradley Gemmer: There is not, to my knowledge. There are major things, but what this actually means.... I don't know that anybody has really defined those things. I don't think there is a hard and fast definition of the actual procedures. You can't define the time it's going to take, so the fact is that there is probably a lot of wasted time.

Mr. Brad Trost: What should you do to eliminate that waste? Should you have drop-dead deadlines, such that if something isn't deemed to be handed back by the bureaucracy at this time, it automatically goes through? Should you place managers on certain performance bonuses, or the reverse? What should we do to make sure we can get back to a proper level of service from the government?

Mr. Bradley Gemmer: You have to understand, I'm not intricately involved, other than in my own personal thing. It seems to me that it's a wandering kind of process that goes through. One company in the Yukon, for example, Western Copper and Gold Corporation, went through the whole process. At the last minute, it was denied a water licence, which basically shut them down. Something was missed somewhere that caused a huge amount of money to be wasted, thrown out the window totally unnecessarily.

Mr. Brad Trost: Are there any other comments from the other witness?

Mr. Glen Sibbeston: I typically don't deal directly with the licensing functions. I just haven't observed them.

Mr. Brad Trost: But there is a frustration among the clients you deal with?

Mr. Glen Sibbeston: There absolutely is. I see it on the ground with things that we're required to do—even objects that I'm required to move—that aren't essential to the operation but are required. For instance, with a class B licence, you're only allowed to have 4,000 litres of fuel in one location. What that means to an operator who needs to get fuel onto a site is that they require two, three, or four locations so that they don't have to get a class A licence.

Mr. Brad Trost: They find ways to work around the rules. Is that right?

Mr. Glen Sibbeston: People are innovative. They do things to work within the regulations they have to follow.

Mr. Brad Trost: Thank you, Mr. Chair.

The Chair: Thank you, Mr. Trost.

Mr. Anderson.

Mr. David Anderson: Mr. Calkins has a couple of questions, so I'll let him take part of my time. Then I would be glad to finish up, if he has any left.

The Chair: Go ahead, Mr. Calkins.

Mr. Blaine Calkins (Wetaskiwin, CPC): Thank you, Chair.

I want to relate something. I worked in the Arctic when I was younger—it's been a long time since I was up there. I was a fishing guide on Great Bear Lake when I was a university student. For everything we did, the utmost in planning had to be done. Everything you needed to have there that summer had to come in on an ice road during the preceding winter. So everything was a year out in planning cycles, when it came to transportation. The last thing you wanted in the operation of your organization was to have to pay for somebody to fly something in, because it was so expensive.

We flew people; that was the main thing. We used float planes, of course, because we could get by with float planes. We used gravel road airstrips at the mine in Port Radium. I don't know whether you people have been up to Port Radium at all. We would shuttle people back and forth: we'd rent a Twin Otter to ferry people back and forth, and we'd have an old de Havilland Beaver on standby to take people around to various outposts, and so on.

I remember very specifically back then that just for gravel road runway maintenance, we would go over there by boat and would pick rocks off the runway at all hours. Of course, you could do that in early July, because the sun doesn't really go down. You could do all those kinds of things.

Just from that perspective alone, it was a ton of work. There was always the scuttle back then that they were going to build a road, that some day people were going to be able to drive up to visit Great Bear Lake. The only way you can get there is either by river—navigating across that way—or by flying.

Mr. Sibbeston, you were very eloquent in your presentation about having ways to provide incentives for the private sector to engage in the building of these kinds of.... How do you foresee building a...? The amount of effort, if you look at the terrain there—the amount of engineering, the number of obstacles in your way.... I mean, 60% of the land mass up there is actually not land mass; it's water.

How are we going to do that? Do you have something specific? Are there ideas that have been talked about? What can we do to get the private sector to be more involved and more engaged in this? Building a road up that valley would cost billions of dollars.

● (1715)

Mr. Glen Sibbeston: We're really just getting started with the north, exploring it and developing it.

As technologies like the Discovery Air airship come on.... Technologies are being developed in the northern Alberta oil field for roads that rely on a certain amount of buoyancy, with geo-textiles and things like that. There are technologies that are helping. Now, keep in mind this is not my area of expertise.

Mr. Blaine Calkins: You're up there, you're on the ground, you're talking to people on an ongoing basis, right? You must hear what's going on.

Mr. Glen Sibbeston: Yes. It just takes more money up there.

Mr. Blaine Calkins: Everything takes more money.

Mr. Glen Sibbeston: It just takes more money, and it's such an enormous area of land with such fantastic resources that the little explorers have to be given the freedom and latitude to go and have a look to find out what's there. Then it has to be reasonably expensive to investigate the promising finds in order to find out if there's a big enough resource to interest a big company that has the financial backing to go in there and put a road in because what they've found is so valuable that the road is a good investment.

Mr. Blaine Calkins: In my home province of Alberta, if you were actually to go up.... You drive down highway 11, driving down the west country, and you see bush—it all looks like bush. You'd think you were driving through 300 kilometres of solid trees on your way to the Rocky Mountains from a place like Red Deer, for example. That is until you get up in the air, and you realize that just 100 yards over there are all these lease roads. There's a whole maze of lease roads that the oil, gas, and forestry companies have all built. Those roads are privately owned roads, and they're not for public use or public access. How would that work in the territories?

I can't access these because of all the liability issues and so on that would affect a user's ability to use those roads. As a matter of fact, a good friend of mine had to bail off the road with his forestry truck; it rolled over. He was quite badly hurt, simply because somebody who shouldn't have been on that road was on that road on a quad and coming around a corner.

How are we going to deal with those kinds of issues in the territories? If you're going to build everything with private roads, then you're going to have to negotiate public use of those private roads. That's a real conundrum.

Furthermore, if the resources that are going to be extracted don't need to be extracted for some time in the future, does it make sense to build a road now?

Mr. Bradley Gemmer: In my opinion, the reason there aren't more roads is because most companies model in the cost of the fastest, quickest way, with the idea that it wouldn't matter what they wanted to do, they aren't going to get a permit to do it.

I think the Cumberland project, and ultimately Agnico-Eagle, is an example of that, where the actual.... When it got right down to it, that was the only way you could pencil in that project—if there was a road from Baker Lake to the site. Ultimately, that's what happened. If there was any other way, they wouldn't have gone through the effort of dealing with every circumstance—a stream, a muskeg, or whatever—that happened to be in their way. It cost them $100 million, too, and it was $100 million per kilometre, or a mile, I don't know which.

I would say that more roads would probably be built if there was a defined process where a guy could walk in and say, "I want to build a road from the extension of the winter road for 200 miles, can I do it or not?" Do you know what I mean? The process to get to that point is too hard.

● (1720)

Mr. Glen Sibbeston: If that's a five-year process and a fifteen-year life of a resource, for instance—that's fairly common—then the investment's not looking so good anymore, is it? You're going to have a third of your transportation paid for already before your infrastructure comes on.

The Chair: Thank you, Mr. Calkins. Your time is up.

We go now to, first, Mr. Lapointe, and if there's time left, Madame Day.

[*Translation*]

Mr. François Lapointe: Thank you, Mr. Chair.

Let us talk a bit about regulations. There were very concrete examples in Mr. Sibbeston's presentation. Do you have the expertise and the experience to tell me where the present regulations came from? Why, for example, is there a limit of 400 person-days in a camp? Historically, someone somewhere decided that it was not going to be 300 or 500, but 400. What is the basis for it?

I am quite open to changing regulations, but I would like to know the history of who made the decision, why it is a good one, why it is a bad one, or why we would open it up to 1,500, for example. I would like to know why, where it came from and, knowing that, where we could go with it.

[*English*]

Mr. Glen Sibbeston: I have no idea of the background on that. But it came out of the regulations that go with the Mackenzie Valley Resource Management Act.

[*Translation*]

Mr. François Lapointe: Is it federal or provincial?

[*English*]

Mr. Glen Sibbeston: That's a federal act.

Mr. François Lapointe: Okay.

Mr. Glen Sibbeston: I observe these things. I don't really wonder where they come from. I do have opinions, though. I mean, 400 man-days is a four-person tent over a 100-day summer season. So if you want something bigger than that, you need to get a class B land-use permit. You're not talking about a very big enterprise before you need to invest a lot of money.

[*Translation*]

Mr. François Lapointe: I see Mr. Gemmer nodding his head.

[*English*]

Mr. Bradley Gemmer: Yes, that's for sure. These little camps have grown in size because of legislative things that people have to do. They can't function with a small operation, with the limited time or anything else.

[*Translation*]

Mr. François Lapointe: Are there people in the community or from the department who still support that decision? Does everyone feel that it should be revisited?

With that specific example, if everyone agrees that it is too restrictive, what else could be done? Once a change is decided upon, what would have to be done?

[*English*]

Mr. Glen Sibbeston: They've been at this now for about 12 years; maybe the longest is the Gwitchin. I don't know exactly. They may have enough experience in granting land-use licences that they would be willing to work with the federal government to set higher thresholds. We need something everybody is comfortable with.

[*Translation*]

Mr. François Lapointe: Mr. Gemmer, what do you think causes the problem?

● (1725)

[*English*]

Mr. Bradley Gemmer: There are the parameters. If a person wants to go somewhere and set up a camp for 10 or 15 people, he should know he has to have so much for washroom facilities and so forth. All of these parameters should be outlined so that if a person wants to set up a 10-man camp he will know what he needs to do. And that's easy.

Mr. François Lapointe: But he would not have to run after a permit for a year and a half.

Mr. Bradley Gemmer: And you wouldn't get these questions after the fact.

At my little placer mine in the Yukon, they wanted me to haul everything out for the washroom, and I ended up putting in a full septic system. But I had to do that on my own. It wasn't defined for me.

[*Translation*]

Mr. François Lapointe: It is not a matter of regulations. They could give you a clear framework; for example, a certain number of bathrooms must be cleaned or repaired in such and such a way after the prospecting is done. The rules can be very clear, but a small team should not have to run around after a permit for a year and a half. It is as simple as that. In your example, would that help you?

[*English*]

Mr. Bradley Gemmer: That's right. And it's easy to do, because ultimately they end up there.

[*Translation*]

The Chair: Thank you, Mr. Lapointe.

[*English*]

Mr. McGuinty.

Mr. David McGuinty: Sorry, you said Ms. Day, but you meant me.

The Chair: Yes, go ahead.

Mr. David McGuinty: I want to go back, if I could, Mr. Sibbeston, to this question that I need your insight on again, which is about ownership. Your own company, if I understand it, is 51% owned in terms of equity participation.

It's not the first time I have asked questions around equity participation and ownership, and I often hear back that there's a wall there, and the wall is “capacity”. It's capacity. Aboriginal peoples, first nations folks, don't have the capacity to participate. I take that at face value, but I don't see that as an insurmountable obstacle.

Leaving aside capacity, if you wanted Dehcho leadership to participate in a major infrastructure project and own a fixed percentage of that, do you see any other obstacle? Access to capital might be one, but that's easily correctable, whether it's the proponent or the state or a bank—a third-party lender.

Leaving aside capital and capacity, what else is there that would stop first nations people from owning, say, part of Diavik? Why aren't aboriginal peoples in the immediate vicinity of Diavik owners of that diamond mine? As a lawyer, I see no legal impediment and no contractual impediment.

I see an unevenness in negotiation power. I see a reluctance on behalf of project proponents to open that door and let folks walk through it. Taking aside capacity, do you see any other impediments that would make it difficult or even impossible to say let's start having a serious conversation about ownership with folks?

Mr. Glen Sibbeston: The barriers are falling. I think that in the next decade or two decades we're really going to see things change. The aboriginal people of the Northwest Territories are going to start becoming a serious economic force.

It took time. Lack of ownership of the land is a serious impediment. In a lot of cases the land claims are fee simple lands that are given. I think there are caveats where they're not permitted to dispose of the land, so that would be an impediment. How do you partner with a mine?

Say you wanted an equity position in a mine but you can't offer the land, other than in a lease arrangement, I suppose.... I would caution about being too restrictive on that, but I can also see the hazards of giving a little too much autonomy.

● (1730)

The Chair: Thank you, Mr. McGuinty. Our time is up.

I want to thank both of you gentlemen, Mr. Sibbeston and Mr. Gemmer, for a very down-to-earth, hands-on view of some of the difficulties, and some suggestions for change. Thank you very much. Your input will be helpful to our report.

Thank you.

The meeting is adjourned.

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