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## **Standing Committee on Natural Resources**

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**EVIDENCE**

**Tuesday, February 14, 2012**

—  
**Chair**

**Mr. Leon Benoit**



## Standing Committee on Natural Resources

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• (0850)

[English]

**The Chair (Mr. Leon Benoit (Vegreville—Wainwright, CPC)):**  
I call the meeting to order.

Good morning, everyone. Pursuant to Standing Order 108(2), we're here today to continue our study on resource development in northern Canada. Actually, in the two meetings this week we're dealing with the Ring of Fire.

We have a number of witnesses today. From Cliffs Natural Resources Incorporated, we have William Boor, senior vice-president, Global Ferroalloys; welcome. From White Tiger Mining Corporation, we have Ronald Coombes, president; welcome. From Matawa First Nations, we have Raymond Ferris, coordinator, Ring of Fire; welcome. From the Nishnawbe Aski Nation, we have Deputy Grand Chief Les Louttit; welcome to you, sir.

Thank you all for coming today and for contributing to our study on resource development in the north. We'll go right to the presentations in the order you're listed on the agenda. We will start with Cliffs Natural Resources Incorporated, represented by William Boor, senior vice-president from Global Ferroalloys.

Go ahead, please, sir, with your presentation.

**Mr. William Boor (Senior Vice-President, Global Ferroalloys, Cliffs Natural Resources Inc.):** Thank you, Mr. Chairman, and distinguished members. Good morning, my fellow witnesses.

My name is Bill Boor. I'm the senior vice-president of Global Ferroalloys. My role includes responsibility for all aspects of the proposed Cliffs chromite project in the Ring of Fire. Cliffs Natural Resources very much appreciates the opportunity to appear today as part of your study.

In my remarks I would like to briefly tell you about our company, provide an overview of our proposed project, and outline the key opportunities and challenges in developing a mining project in the Ring of Fire.

First let me tell you about our company. Cliffs Natural Resources is a 164-year-old international mining and natural resources company headquartered in Cleveland, Ohio, and we have a long history of operating in Canada. We have been in Canada since 1961, and we have owned and operated mines and processing facilities in Ontario, Quebec, and Labrador. Today we employ over 1,000 Canadians.

Our business is built around our core values of social, environmental, and capital stewardship, and we strive to provide

operating and financial transparency to our stakeholders. We are the largest producer of iron ore pellets in North America, a major supplier of direct-shipping lump and fines iron ore out of Australia, and a significant producer of high and low volatile metallurgical coal. Our strategy is to continue to serve the world's largest and fastest-growing steel markets.

Last year we completed the \$5 billion acquisition of Consolidated Thompson, giving us operating control of the Bloom Lake iron ore mine located in Fermont, Quebec. In the near future we plan to invest approximately \$1 billion to expand these operations. Canada holds an important place in our company's strategy and represents the bulk of our company's recent and future investments.

Now I'd like to tell you about our proposed project in the Ring of Fire. In late 2008 we began working with exploration companies in the region, supporting them both technically and financially. This led to the acquisitions of Freewest Resources and Spider Resources in 2010, which is when we began studying the proposed chromite project in the Ring of Fire.

Our proposed project has four components. The first component is a mine that would produce over 4 million tonnes per year of chromite ore.

The second is a processing plant that would be located at the mine site to produce a concentrate product for direct sale or for conversion to ferrochrome. Together the mining concentrator would create approximately 400 permanent jobs.

The third component is an all-season road to transport the concentrate to the CN rail line at Nakina. As I will mention in a few minutes, while our project would be the catalyst for this Ontario infrastructure, in a larger sense this road would serve to open up the Ring of Fire to further investment by other mining companies. The transportation corridor would create approximately 300 permanent jobs.

The fourth component would be a ferrochrome production facility to refine approximately 60% of the concentrated chromite ore into ferrochrome, which is used in the production of stainless steel. We have not yet decided on the location of this furnace operation, but we do know that it will be in Canada. This facility would create approximately 450 jobs.

In total this project would represent an investment of approximately \$3.5 billion, create over 1,100 permanent jobs, an equal number of construction jobs, and 2,000 to 3,000 indirect jobs. Importantly, this project has the scale to assist with the infrastructure that would open up the Ring of Fire to further mining development by other companies.

We are very excited about the potential of our proposed chromite project, but the project is just that: proposed. It is not yet a certainty. The environmental and community impacts need to be assessed, and Cliffs also needs to continue assessing the project's viability by looking at both its technical and commercial potential.

With respect to the environmental assessment process, which began last year, we are committed to a thorough and rigorous process, which is why Cliffs volunteered to conduct an individual Ontario environmental assessment. The federal and provincial processes are being carried out as a single coordinated process. We are committed to doing the environmental assessment right.

We have been communicating, consulting, providing capacity funding, and working directly with directly affected first nation communities in the Ring of Fire since early 2010, when we made the acquisition that began our involvement in this project.

We will continue this work. As part of our definition of success for the project, and beyond any legal requirements, Cliffs is committed to seeing the first nations participate and benefit, assuming the project proceeds. Ultimately we view the first nations as our partners in this development, and their benefits would include training, employment, capacity-building, business opportunities, social funding, and increased year-round access.

Now I'd like to tell you about the opportunities and challenges in developing a project like ours in the Ring of Fire.

The key challenges are the result of global market conditions and the lack of existing infrastructure. While we are certainly optimistic about the global demand for chromite and ferrochrome, it would be fair to say that the market is extremely volatile and that this project is aggressive in its market outlook. Global developments, such as Chinese demand, heavily influence the economics and stability of this operation.

These global conditions mean that Cliffs has to be very mindful of all of the upfront investment and the ongoing operating costs of the project, and we have to work hard to keep these costs as competitive as possible. The quality and stability of the jobs are dependent on our ability to develop a low-cost project that can compete with established world competitors.

Our proposed project includes exporting approximately 40% of the product produced on site. Being able to sell into the global market for chromite concentrate is key to being able to build a mine, concentrator, and ferrochrome facility on the scale we are proposing, and 60% of the mine's production will be shipped to the furnace operation.

We recognize that a number of communities would like to see this facility built in their region. We have not yet made a decision about where this facility should be located. Our decision will be based on what is best for the project as a whole—that is, what best supports

the project's chances of proceeding as planned. I'm pleased to say, though, that this facility will be in Canada.

As we are all aware, the Ring of Fire location has significant potential for a range of minerals, but the single biggest challenge facing the region's development is its remoteness and lack of existing infrastructure. To make this project a reality and to open up the Ring of Fire for further development by other mining companies, significant transportation investment is needed. We have studied many routes and modes of transportation, and have concluded that an all-weather road running north from Nakina will make the most sense from the short- and long-term economic standpoints.

In addition to opening up the region, the all-weather road would provide connection opportunities for remote first nation communities. It's important that we get this route right, because there will be substantial construction costs in the range of \$500 million. The ongoing transportation and maintenance costs that will be determined by the choice of route will be a major determiner of global cost competitiveness for the entire region.

In summary, we at Cliffs are very excited about our existing presence in Canada and the potential of our proposed projects, but this project is still in the early stages. We need to continue to work on our environmental assessment with all of our stakeholders and the affected first nation communities, and we must determine how to keep the project infrastructure costs as low as possible so that the project can proceed at the proposed scale.

Cliffs plans to be involved in the Ring of Fire for a long time, with a multi-generational operation. With this mindset, we're committed to working with the local communities to do it right, as we do in all of our operations. This project appears to fit with our strategy, and also has the potential to make a real difference in the local communities, which is important to us as well.

Thank you for your time, and I look forward to taking your questions.

● (0855)

**The Chair:** Thank you, Mr. Boor.

We will now go to Ronald Coombes, president of White Tiger Mining Corporation.

**Mr. Ronald Coombes (President, White Tiger Mining Corp.):** I would like to thank you all for the opportunity to speak here today.

My name is Ron Coombes. Here's a little of my history: on both sides of my family tree I'm a fourth-generation Canadian, and I'm very proud to be a Canadian.

I represent the Waterfront Mining Group of public companies, as president and CEO. We have an office in Thunder Bay, and our main office is in West Vancouver, British Columbia. I've been involved at the executive level in Canadian mining exploration for the past 18 years.

Within our group of companies, we have a major open-pit molybdenum deposit located in northern British Columbia and numerous other exploration projects at various stages of exploration and development in Ontario, British Columbia, and Labrador. Our senior advisers have been in the exploration and mine development business since the early 1960s, and our focus is to explore here in Canada.

Exploration for minerals creates opportunities for high-paying jobs and other forms of indirect opportunity, such as environmental, food, fuel, and supply contracts. These are just a few of the associated benefits available to all local community people.

The policy throughout the mining industry is to retain qualified persons within the communities nearest to exploration projects. This, in most cases, means direct opportunities for first nations communities. In recent years the industry has been inundated with such buzzwords as “duty to consult”. Although many opportunities have been realized within the aboriginal communities, many supportive mining companies have recently been falsely accused, by lawyers who represent these same aboriginal groups, of not consulting with first nations.

You may be wondering how this is relevant to today's discussion on the development of the potential resources in northern Ontario's Ring of Fire and the rest of Canada. I'll get to that question in just a couple of minutes.

First, what has brought us the present opportunity in northern Ontario, now known as the Ring of Fire? Is it infrastructure? No, there is none. Ontario is a very expensive mining district in which to explore for minerals or develop a mining project. Building a mill and mine site, even when roads and power are nearby, is so expensive that unless one has a project of world-class size, it's simply not feasible to develop anything in the Ring of Fire.

Cliffs Natural Resources has a deposit with the economic size to support initial infrastructure costs, which will allow other smaller mines to be economical.

Concerning future opportunities, exploration companies such as ours have taken a chance on the favourable geology and spent hundreds of millions of dollars exploring for exploitable resources in northern Ontario. I'll say once more that world-class deposits are rare and not found often; that's why we only occasionally label one as being world class.

Cliffs Natural Resources owns and is developing the Big Daddy chromite deposit, the only deposit large enough to support the initial infrastructure development costs. Cliffs Natural Resources has been involved in the mining of natural resources for a long time and has a reliable reputation.

The stakes are high with the cost of their development. Incidentally, correct me if I'm wrong; when I saw your number of \$500 million, I thought it would be closer to \$1 billion, all in.

Once their project has met all the rigorous environmental standards that are scientifically proven best practices, the project, with the aid of the proposed road corridor, will be fast-tracked into production.

How will this proposed road development affect other exploration plans? As an example, our company, White Tiger Mining Corp., traded publicly on the TSX venture exchange under symbol WTC, has developed a smaller deposit known as the Norton Lake property. It's located approximately 140 kilometres south along the proposed road corridor and about 40 kilometres due west.

The Norton Lake nickel, copper, cobalt, and PGM deposit remains open on surface and at depth down-dip. To date we've spent approximately \$5 million on this project, and it has an NI 43-101-compliant resource of 2.2 million tonnes. At current metal values, the deposit has a current gross metal value of approximately \$200 per tonne.

There are many other opportunities that will evolve with the development of a road along the proposed corridor. It's of interest and a coincidence that many other exploration opportunities are being explored along this proposed north-south road corridor.

White Tiger, during the past two years, without certainty of how to market economically, has postponed further development of its Norton Lake deposit. Everything changes once a proposed road is approved. If approval comes, we'll be able to commission a feasibility study to determine the economic and technical viability of the Norton Lake deposit.

● (0900)

In terms of streamlining the EA process, with regard to the aboriginal first nations and others who remain split on the idea of streamlining the EA process, I think it's fair to say that we all respect first nations' desire for discussion or negotiation. The desire to streamline the EA process is known to be overdue. It will create a more efficient process and at the same time not be a detriment to the process.

Streamlining is not unique in concept to Ontario. Other provinces are doing likewise, such as British Columbia, where they refer to it as harmonizing.

Turning to political involvement, we want to thank Mr. Harper and both the federal and provincial governments of Canada for committing to working with first nations and for recognizing that the resource sector and national interests should not be held captive to long-overdue legislative changes. As well, the industry needs the Government of Canada to provide clarity and direction to the current uncertainty in the resource industry. What is meant or required as “duty to consult” with first nations?

The industry recognizes its duty to engage in socio-economic participation agreements, but currently many first nations, during the exploration phase, construe the duty to consult as a duty to tax the industry in unique ways, and some bands are requesting payments for each exploration drill hole on crown land. As well, I've heard from some contractors that they've been approached by first nations groups that have a desire to create partnerships without making any equity involvement, expecting a percentage of the profits with no participation other than “you work with us.”

First nations cannot be faulted for their creative tenacity, although we do not believe that they have the right to tax while we work on crown land, especially while a project has no economic value. Junior exploration companies do not generate revenues and cannot afford the current financial uncertainty at the early exploration stage; it's just a simple fact. First nations' efforts should be focused on discussion and negotiation with the Government of Canada. Mr. Harper has expressed that the Government of Canada is dedicated to doing so.

The resource industry needs this issue addressed with firm, sound clarity; otherwise, financing exploration projects here in Canada may become impossible, as we are living in a global economy.

I've heard that a few companies within the Ring of Fire have already agreed to make payments on a per exploration hole basis. This formula or similar ones are absurd and a danger to Canada's future. To maintain a viable exploration industry, we need certainty. The long-term well-being of our industry is dependent on very significant private sector funding, which is now being threatened. We need some direction from government, as we are only businessmen and not well versed on these issues, as lawyers or politicians are.

How do we make it happen? No matter how large a company is, there are financial realities. Debts must be repaid and profit margins maintained in our business, all within the cyclical nature of the commodities markets.

With the demise of derivatives markets, the near collapse of the euro, and government bank bailouts in the United States, Cliffs Natural Resources is to be commended for keeping its major project alive and on schedule. The potential benefits to northern Ontario and the rest of Canada are enormous. The mining industry is a great business and offers a wealth of opportunity to all of Canada, but it's like a fruit tree in so many ways: if you let the fruit mature, there will be lots for all to pick, but if you pick it prematurely, there will be nothing for anyone.

With that, I want to thank you all.

• (0905)

**The Chair:** Thank you, Mr. Coombes, for your presentation.

Now, from the Matawa First Nations, we go to Raymond Ferris, coordinator, Ring of Fire.

Please go ahead with your presentation, Mr. Ferris.

**Mr. Raymond Ferris (Coordinator, Ring of Fire, Matawa First Nations):** Thank you very much for allowing me and our first nation to be present at this gathering.

My name is Raymond Ferris. I represent the nine first nations within the Matawa First Nations Tribal Council. In our tribal council, there are 10,000 members, of which there are Ojibway, Ojibway-Cree, and Cree.

The mine site itself, the Ring of Fire, is located within the traditional lands of the Marten Falls First Nation and the Webequie First Nation. The whole project, including the corridors, will impact several first nations, as there are three major rivers that will be

crossed by these corridors. Impacts to the water are very important for our first nation people to understand.

The nine member communities of Matawa First Nations are located in and around an area known as the Ring of Fire in northern Ontario. The lands in the Ring of Fire have plentiful natural resources and are said to hold some of the richest minerals in Canada. Tens of thousands of mineral claims have been staked and have led to the discovery of commercially important finds of nickel, copper, gold, silver, platinum, palladium, and chromite. These natural resources are attracting the interest of hundreds of Canadian and international mineral and mining companies that want to explore and mine our traditional lands.

However, it is important to know that this area, long before it became known as the Ring of Fire, was exclusively the homeland of the Matawa First Nations. Most of our communities are signatories to Treaty 9, which we understand to be a political relationship with the crown, based upon the principles of friendship, mutual respect, and sharing. Our ancestors agreed to work together with the crown as partners in shaping the future of this vast northern region.

Many of our people still make their living from the land and have deep concerns about the changes that these developments will bring. We know simply from reading the project descriptions that these developments will bring benefits as well as create impacts. We have been demanding a process that will enable our people to fully understand what these projects mean to them.

Without even getting into the details, we understand that the projects now proposed involve hundreds of kilometres of new all-season roads crossing over more than 100 water bodies, including three major rivers. Mining will occur in an internationally significant wetland area—the James Bay lowlands—and will require major engineering for water diversion and drainage.

Pollution from the mines from machinery, transport trucks, and processing equipment will affect the surrounding environment, including the fish, wildlife, and plants our people rely on. Fuel and chemicals required by the mines present major environmental concerns during transportation and raise the possibility of spills during shipment and transfer.

New roads and infrastructure corridors, including a proposed slurry pipeline, will fragment the habitat of migratory animals—caribou, moose, etc.—and disrupt their travel routes.

Waste rock and tailings from the mines have the potential to release harmful chemicals to the environment and will remain on the land long after the mines are closed.

In regard to the EA process, to deal with these issues our chiefs have been demanding a joint review panel environmental assessment since May 2011, in letters to both Minister Kent and the Canadian Environmental Assessment Agency and to the Government of Ontario. Put simply, we believe it is important to address both the project-specific as well as the cumulative and regional environmental effects of the Cliffs and Noront projects, and to bring together the first nations and the provincial and federal governments in an efficient process that will enable our community members to fully participate in the environmental assessment process.

We believe that a panel that can hold hearings in the Matawa communities with provisions for translation, oral evidence, and questioning by the people most affected by the Ring of Fire is far more appropriate than a mere comprehensive study review, which is conducted on paper by bureaucrats.

• (0910)

However, Canada responded by referring both the Cliffs and Noront developments to a comprehensive study level of review. The Canadian Environmental Assessment Agency also informed our chiefs that the agency will use the environmental assessment process as the main forum through which consultations will take place.

On October 21, 2011, Matawa chiefs held a media conference to announce we were withdrawing support for the development of the Ring of Fire because of our concerns that a comprehensive study type of EA is inadequate to address the impacts of development on this scale in a manner that is appropriate to work for our communities.

On November 7, 2011, the chiefs filed for a judicial review of the EA process in Federal Court, citing the lack of consultation and accommodation on the part of the Canadian Environmental Assessment Agency.

Our objective at this point is to establish a single joint review panel EA for the projects that are structured by agreement between Canada, Ontario, and the affected Matawa first nations that will, among other things, allow sufficient time and flexibility in the process to enable our communities to fully understand the scope of the proposed developments; recognize community processes and procedures, for example, in seeking guidance from elders, using oral forms in addition to written ones, providing for oral translation and traditional knowledge, and providing opportunities for discussion of issues with both the regulators and the proponents; ensure a full review of all impacts, including the complex environmental and treaty/aboriginal rights impacts associated with the projects, and to thoroughly consider the full range of potential mitigation and accommodation measures.

Our legal case will most likely be heard in the spring or fall of 2012. In the meantime, our chiefs are lobbying government and industry to move to the negotiated joint review panel EA as soon as possible to avoid further delays and hardships. We wish to stress that we are not against developments, nor are we trying to delay the process; rather, we are trying to move ahead as quickly as we can, in a way that fully involves our communities as partners in the process, rather than as bystanders to it.

Chief Eli Moonias of Marten Falls First Nation says, “The government is failing in this whole Ring of Fire and northern development initiative. ... We need the Ontario Premier and the Prime Minister to intervene and come to the table. We need a government-to-government dialogue here.”

“We are pro-development, as long as we are protecting our resources and traditional lands for the benefit of future generations.” says former Chief Roger Oskineegish, Nibnamik First Nation.

“Matawa Chiefs are lobbying the Ontario government and Cliffs and Noront to support us in a joint review panel EA”, said Chief Sonny Gagnon, Aroland First Nation, who, by the way, is with me today.

“We need to talk about the environment in a forum that respects our knowledge of the land, our oral tradition, and our decision-making process”, says Chief Peter Moonias of the Neskantaga First Nation.

We have been open to discussion with Cliffs and Noront, and we believe there is common ground with the developers who have themselves proposed an enhanced EA process. On January 19 we met with Bill Boor from Cliffs. We have begun some discussions about an enhanced EA and we are now passing some ideas back and forth. They have passed us their ideas, and we want to expand on those as well. That's the kind of partnership we're looking at, and we need the government to be involved.

The Honourable Peter Kent, Minister of the Environment, can refer these projects to a review panel EA at any time, based on information that there is or is likely to be, one, significant adverse effects on the environment; two, significant public concern; and three, infringement on aboriginal treaty rights.

Matawa chiefs insist that the Cliffs and Noront projects meet all of these conditions and believe that a joint review panel EA process should be negotiated between Canada, Ontario, and the Matawa communities without further delay.

• (0915)

The first nations want to be partners throughout the life cycle of this mine. The first nations can be part of a solution that will create a big economy for the whole region and throughout Ontario, Canada, and the whole globe.

With that, I thank you very much for listening.

**The Chair:** Thank you for your presentation.

We go to the final presentation for today. It's from the Nishnawbe Aski Nation, represented by Deputy Grand Chief Les Louttit. For the members, please note that the spelling on the card up there isn't accurate. It starts with an "L".

Please go ahead with your presentation, sir, and then we'll get to questions and comments.

**Deputy Grand Chief Les Louttit (Deputy Grand Chief, Nishnawbe Aski Nation):** Thank you, sir, and thank you, gentlemen, for allowing Nishnawbe Aski Nation to be represented here and to make a presentation.

Nishnawbe Aski Nation is a provincial territorial first nation organization that has a membership of 49 first nations in northern Ontario, which represents about two-thirds of the land mass, the height of land being the southern border from Quebec over to Manitoba. This also includes several tribal councils, seven in total, which includes the Matawa First Nations that my friend here has represented.

My presentation consists of two items.

First, we emailed a document called "Key Considerations for Resource Development in NAN Territory", focusing on mining. That is a discussion paper. From that paper I've prepared a slide deck, which I'm going to refer to.

The Ring of Fire has the potential to become the major significant mineral development in northern Ontario, which will have huge economic impacts across the province, particularly on the surrounding NAN first nation communities. It will provide unique opportunities for first nations to plan for sustainable economic development in several broad areas: workforce training, land use planning, service and manufacturing industries, business partnerships, and equity participation, including regional and community infrastructure development.

There is a regulatory framework currently in place, and Ring of Fire development will provide a key test on existing provincial policy under the following legislation that is currently in place or in development: first of all, the Ontario Mining Act, which will attempt to regulate the exploration activities along the mining sequence directly proportional to the crown's duty to consult and accommodate; the Green Energy Act, which promised more enabling mechanisms to allow first nations participation and partnership in both generation and transmission development; and the Far North Act, whose goals are to protect 225,000 square kilometres of our homelands through community-based land use plans under the Ministry of Natural Resources rules.

How will these acts effectively benefit NAN first nations during these major resource developments?

Opportunities in the Ring of Fire can bring immense benefits and wealth to NAN first nation communities, which could supply the workforce to close the growing labour gap in Canada and specifically in northern Ontario. It is estimated that the mining sector alone will require up to 100,000 workers during the next decade in northern Canada. With the proper education and training, our growing first nation population of youth will be northern Ontario's future workforce. This demographic trend will, in itself,

make NAN first nations a major force and player in the future economy of northern Ontario.

With regard to the proposed infrastructure, there are two key infrastructure requirements that are being considered by the mining proponents within the Ring of Fire developments. In terms of transportation requirements, KWG Resources is undertaking a geotechnical study for a potential north-south railway corridor from its mineral claim south to the Canadian National railroad near Nakina; in its technical report for the Eagle's Nest nickel deposit, Noront Resources proposes an east-west all-weather corridor from its site to Pickle Lake, Ontario; and Cliffs Natural Resources is also proposing a north-south all-weather road corridor from its mine site to Nakina.

The energy requirements are as follows: Noront Resources will require approximately 25 megawatts for its concentrator and mine at its site, and will require transportation of its nickel concentrate to existing processing facilities; Cliffs Natural Resources will require 300 megawatts to operate its mine and concentrator at its site, and another 300 megawatts for a ferrochrome processing at a site near Capreol, north of Sudbury.

● (0920)

All of these infrastructure requirements will present unlimited business opportunities for NAN First Nation business owners and potential partners. I would like to add here that from our past conferences, I know it is the desire of our first nations to take ownership of the infrastructure requirements in terms of transportation, energy, and other local and regional infrastructure.

I will next address community Infrastructure. In the past, we have seen mining companies simply bypass our communities after they've extracted all the wealth. The Ring of Fire creates a tremendous opportunity whereby the mining corporations can also support investment for community infrastructure in first nations through partnership agreements and/or impact benefit agreements. Such investment precedents have already been established with aboriginal organizations and communities in the Northwest Territories and Nunavut.

As an example, BHP Billiton's community partnership program provides financial and in-kind contributions for community infrastructure initiatives. Rio Tinto has also funded infrastructure upgrades in remote communities, including construction of a new community centre at the Tlicho community of Weweti and new arenas in the Inuit community of Kugluktuk and the Treaty 8 community of Lutsel K'e. Since the Department of Indian Affairs' major capital budgets are in decline, in future NAN first nations may negotiate these infrastructure needs through agreements with mining companies operating within the Ring of Fire such as KWG, Noront, Cliffs, and others.

Of course you've heard the Matawa First Nations' reaction to the proposed Canadian Environmental Assessment Agency's initiation of the comprehensive study. They have consistently called for a joint review panel EA process, as per their resolution passed in May 2011. A joint review panel EA would allow for first nation nominees on the panel as well as comprehensive public hearings and information centres in the impacted NAN first nation communities.

NAN supports Matawa First Nations' actions and requests for the joint review panel. We note that first nations in British Columbia are currently participating fully in the EA hearing process of the Northern Gateway pipeline hearings.

Why is that different? Why is that not happening here in Ontario in terms of the required panel review hearings, which should allow all our first nation members in each community to be aware of the impacts and to have participation and input into those issues that concern them?

The next slide refers to community relations and benefits. I'm not going to go into this aspect, but it refers to establishing working relationships between mining companies and first nations early during the mining sequence. I believe that hasn't been happening. It is expected that such relationships would promote additional benefits in terms of employment, traditional ecological knowledge, education, skills training, etc. including financial cash compensation.

NAN's major concern is the development of a negotiation framework. We have experienced a situation involving De Beers' Victor Mine project in northern Ontario near the first nation of Attawapiskat. That development did not benefit the first nations along the James Bay coast. As an example, the Province of Ontario, through its royalty structures, claims between 6% and 13% of the gross profits over the life cycle of the mine; however, the first nations, through the individual impact benefits agreements, have received less than 1% of the net profits after all expenses were deducted.

● (0925)

Consequently, we would like to promote a negotiations framework that will result in maximizing benefits for NAN first nations so that we avoid another Attawapiskat, another De Beers project. A unified regional negotiation process among a group of first nations will allow us to exact more leverage, benefits, and environmental protection measures than several individual agreements.

It is understandable that an individual first nation, or two or three first nations, may enter into memorandums of understanding or memorandums of intent for early exploration or for actual full exploration activities of the mining sequence. However, with a large-scale mining project, it would be desirable to collectively negotiate regional participation agreements among impacted NAN first nations.

There are several reasons for this. First and foremost, the principle of sharing our lands and resources was the key element agreed to by our forefathers that led to the signings of Treaty 9 and Treaty 5. The Nishnawbe Aski Nation has a responsibility to protect the treaty and aboriginal rights of not only the Matawa First Nations but also of the rest of the NAN first nations as a whole, as they will be impacted.

Why was Ontario the only signatory to Treaty 9, the only provincial signatory of all the treaties in Canada? There is only one reason: the lands and resources. We see that time and time again.

● (0930)

**The Chair:** Deputy Grand Chief, you're over time by two minutes already. Could you give a 30-second wrap-up so that we can get to questions and comments? I'm sure a lot of the information you're giving will come out in questions anyway.

**Deputy Grand Chief Les Louttit:** Thank you very much.

I want to conclude by saying that the Nishnawbe Aski Nation supports the presentations of the NAN First Nations individually or collectively, and we support the extraction of maximum benefits for our first nations in any major development that will happen on our homelands.

Thank you.

**The Chair:** Thank you.

Thank you all for your presentations.

We'll go now to questions and comments in the seven-minute round. We will start with Mr. Anderson and then go to Monsieur Gravelle and Mr. McGuinty.

Go ahead, please, Mr. Anderson.

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

Gentlemen, I'd like to get a sense of the opportunities that are being provided by these projects.

Mr. Ferris, you said that you represent nine first nations. Did you say two of them are directly impacted or are directly in the area where the mining projects are proposed? Is that correct? For the other seven, are you saying that their impact would be more from the transportation corridors and those kinds of things?

**Mr. Raymond Ferris:** Yes, that's correct.

**Mr. David Anderson:** You say you represent 10,000 members. I'm wondering how many are in the area of the mines. What would be the number of people living in that area?

**Mr. Raymond Ferris:** I would say that within Marten Falls and Webeque and a couple of other communities as well, Neskantaga and the Eabametoong, there are maybe about 4,000 members in that area.

**Mr. David Anderson:** Then this question is probably to the companies. What were the employment levels that you're suggesting these projects would generate in the area?

**Mr. William Boor:** At the mine site for our project, the range we're working from is about 300 to 500 direct jobs. That doesn't include the jobs associated with the camp, the accommodations complex. We did a study early on in the project that put about a 2.8 multiplier of indirect to direct jobs, so a quick answer would be 300 to 500 direct, and a couple multiples of that indirectly.

**Mr. David Anderson:** You're saying it would be 1,500 or 2,000.

**Mr. William Boor:** That's at the mine site, and then I also mentioned that the corridor would bring approximately 300 more jobs of the transportation and maintenance type.

**Mr. David Anderson:** Mr. Coombes, obviously this project would have a significant impact.

We've talked about this next area a lot in our discussions about northern energy strategy. What are you doing to engage the communities? Do you have a plan for providing the educational opportunities that need to be provided so that people can work in those jobs? We've talked about this lots. Often there are lots of human resources in the area, but not the educational opportunities or educational resources to be able to use them. Are you addressing that issue yet?

**The Chair:** Go ahead, Mr. Coombes.

**Mr. Ronald Coombes:** As mining exploration companies, for the most part our field workers are first nations, aboriginals. We try to maintain a right of first refusal. Do we help in the training process at the exploration level? Yes, we do. It's pretty limited at the exploration level.

With Cliffs Resources, however, it will be a different situation altogether. For instance, if we develop our molybdenum deposit in British Columbia there will be educational benefits and all of the socio-economic benefits. You can refer to it as a SEPA or an IBA agreement. All those impacts are held within that agreement.

I'll ask Mr. Boor to address the question. He can probably answer it better than I can.

**Mr. William Boor:** I agree with the comments as they relate to our exploration work that is going on. We're definitely not doing what you're talking about. We need to do both life skills and job training in the communities, but you can see with the employment numbers that we have a tremendous opportunity here. It's mutually beneficial.

**Mr. David Anderson:** It might have a huge impact.

Mr. Ferris, what are your thoughts on that?

**Mr. Raymond Ferris:** Although we're at the exploration stage right now, when the mine comes about, there will be many jobs. The problem we have is that these 300 or so jobs are highly technical, and our people right now are facing an unemployment rate of about 90%. The education level of our people is not very high.

• (0935)

**Mr. David Anderson:** We've had this discussion a couple of times before at this committee.

**Mr. Raymond Ferris:** The environmental assessment is very important for us, because all these issues need to come out. Right now we have not been resourced or provided with any kind of funding to conduct any kind of due diligence to do our own studies so that we can participate in an environmental assessment.

Without any information for first nations, it's impossible for our first nations to participate in an environmental assessment. We cannot sit through an environmental assessment process with no information. That would be just rubber-stamping the process.

**Mr. David Anderson:** I believe it would be fair to say that not all of your nine first nations are in agreement. Some want to move ahead more quickly than others. Is that correct?

I understand that in your presentation here in October, you basically called for a stop-work order on the development of the project. You say you want to go ahead with it, but one or two of your members have said they want to continue, and they're ready to go ahead and ready for investment. Is that correct?

**Mr. Raymond Ferris:** First of all, we never put a stop-work order on anything. We just wanted to have a fair process in which our first nations could be involved. Whether there are some first nations that are ready to move on right now is still unclear.

**Mr. David Anderson:** Can I read from an article? It says that the Webequie were fairly clear that they wanted to move ahead. I think they said that the Matawa tribal council was not a decision-making authority for their first nation and they will determine their own community-led process to guide industry, government, and commercial groups. They said they have built tremendous community capacity over the past three years to become investment-ready and to prepare to take advantage of emerging socio-economic benefits in the Ring of Fire.

Would you say you have some groups that are prepared to move ahead further than others?

**Mr. Raymond Ferris:** The statement is correct that the Matawa tribal council does not have the authority to make any kinds of decisions on their behalf, but the authority comes from a collective of first nation chiefs who come together to make decisions. They have passed resolutions regarding the environmental assessment—

**Mr. David Anderson:** Have you been able to consult with the first nations that have already resolved some of these issues? In Saskatchewan, for example, the Meadow Lake tribal council has been able to do some tremendous economic development as a tribal council. Have you had the opportunity to spend time and energy visiting with them and talking to them about how they've moved ahead?

**Mr. Raymond Ferris:** I have worked with them in the past with regard to forestry. The difference between Ontario and Saskatchewan is night and day. The Saskatchewan government works with the first nations. Here there is literally no relationship at all. The people representing the province are talking directly with individual first nations.

**Mr. David Anderson:** They're a very important component of our province and especially our economic development in the future.

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

We go now to Mr. Gravelle for up to seven minutes. Go ahead, please.

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

This committee has just finished a study on refining and pipelines here in Canada. We've noticed that refining is on the decline in Canada. It would be sad if we were to say the same thing about minerals being processed outside of Canada.

Mr. Boor, do our mining company witnesses support refining minerals in Canada? We've read stories quoting Cliffs Natural Resources as indicating that they are going to refine some of the ore in northern Ontario and ship some more out to Asia. This might make the difference between 500 jobs and thousands. What portion of Canada's chromite production would be processed in Canada, and what amount would be shipped to Asia?

• (0940)

**Mr. William Boor:** In rough terms, about 40% would be exported as concentrate. It would be processed at the mine site to a concentrate level and sold into that market.

On the question of whether we support refining in Canada, we absolutely do. The heart of our project is the production of ferrochrome. The issue at play here is really a market issue. What we've done is propose the largest ferrochrome processing facility we can envision, given the market dynamics of that industry, and we feel that we are being very aggressive there.

The viability of our project is supplemented by the ability to export concentrate into world markets that are already established for that product. These work together to justify the project. One point I would disagree with is that if we were not able to export that concentrate, we would not be able to see our way clear to building more refining capacity at this stage because of market constraints, and therefore we'd have to actually descale the project and create fewer jobs as an outcome.

**Mr. Claude Gravelle:** Do you know if you need the approval of the province or the federal government to ship concentrates outside of Canada?

**Mr. William Boor:** I think that's a legal question. We can assume that we would need an exception under section 91 of the Mining Act.

**Mr. Claude Gravelle:** There's been talk of building your refinery in either Manitoba or Quebec because of the lower cost of electricity. What might the Government of Ontario have to do to convince you to build your refinery in northern Ontario?

**Mr. William Boor:** Let me start by saying that from day one—day one for us is early 2010—we've been in very good discussions with the Province of Ontario on all aspects of the project. The furnace siting decision is not purely a power decision. Logistics, labour, and a lot of other things also play into it.

Power is a big component of it. Beyond that, I would have to say that I don't want to get too deeply into the conversations that are going on with the various provinces.

**Mr. Claude Gravelle:** Chief Ferris said, “ We wish to stress that we are not against these developments, nor are we trying to delay the process; Rather, we are trying to move ahead as quickly as we can”.

Can you comment on that, Mr. Boor?

**Mr. William Boor:** There is an intent. One thing I can say is that from the beginning, in dealing with the various first nations communities, there has been a bias toward figuring out the right way to do this development. I think there is general acceptance that this holds a great opportunity for the first nations, so I don't disagree with the statement that the first nations communities have been supportive of the development; they have very legitimate concerns about the

environment and other aspects of the project that have to be addressed.

**Mr. Claude Gravelle:** Do you have any plans to train the first nations? Is there a plan in process?

**Mr. William Boor:** These are the great areas of a project, because our objectives are exactly aligned. In this case, they want jobs, and we actually need people in this area. It's a remote area, and so the best solution for us is to train people in those communities.

I would say that we need to be working together. We haven't gotten to that stage in the development. I think we need to get into MOUs, memorandums of understanding, to clarify how to do that.

Cliffs has a very clear picture of the different jobs that need to be filled, and we're anxious to work together with the communities to talk about how we can specifically train.... I want names next to this discussion, instead of just a concept of training. I feel as though we're late in that process.

**Mr. Claude Gravelle:** How many first nations people do you see Cliffs Natural Resources employing?

**Mr. William Boor:** Given the size of the employment numbers we talked about earlier, there's a tremendous opportunity. I don't have a specific target. The question is really how many people want these sorts of jobs and how many can we get trained in the time that we have. The more the better, from our perspective, because we need the labour.

**Mr. Claude Gravelle:** I believe the road that you want to build is an all-season road. What kind of an impact would that have on the environment?

**Mr. William Boor:** I think these things can be done in environmentally responsible ways. That'll be proven through the EA process. I don't see it as necessarily being a significant negative impact on the environment.

• (0945)

**Mr. Claude Gravelle:** Thank you.

**The Chair:** Mr. McGuinty, you have up to seven minutes. Go ahead, please.

**Mr. David McGuinty (Ottawa South, Lib.):** Thank you, Mr. Chair.

Mr. Boor, could you give us a quick snapshot? You work with Global Ferroalloys, correct? Is Cliffs Natural Resources a wholly owned subsidiary of this company?

**Mr. William Boor:** No. Cliffs Natural Resources is the parent company. Within that, in very broad terms, we have an iron ore business in metallurgical coal, and we established Global Ferroalloys with this project.

**Mr. David McGuinty:** Cliffs Natural Resources is the parent company.

**Mr. William Boor:** Correct.

**Mr. David McGuinty:** How big is this company?

**Mr. William Boor:** Market cap would be a good indication of that. It's between \$10 billion and \$11 billion of market cap.

**Mr. David McGuinty:** Is it publicly traded? New York, Toronto

**Mr. William Boor:** Yes. It is on the New York exchange, and also Euronext.

**Mr. David McGuinty:** What I'm hearing from different witnesses is that you're telling us this project is effectively economic. There are some market risks, and you've said infrastructure management problems are your second big challenge, but there are market risks.

Are you telling us that because of the conduct of your company and the investments you've made thus far in your negotiations, this project is of such an order of magnitude that it's really worth jumping through the hurdles and going through the negotiation process you are going through?

**Mr. William Boor:** Yes, certainly. I would say two things. One is that we're in an early stage of the development, pre-feasibility, so if we didn't believe it was economic, we wouldn't be doing this work and making these investments. Certainly we think the process is worth it.

**Mr. David McGuinty:** The global market, then, for the two products that are contemplated, chromite and ferrochrome, are pretty huge and pretty significant. Where's the growth?

**Mr. William Boor:** It is largely in Asia, when you look at it on a worldwide basis.

**Mr. David McGuinty:** What are the products used for?

**Mr. William Boor:** Ultimately, any concentrate sales that we have will go into other ferrochrome furnaces, for the most part. Ferrochrome, whether it's refined in Canada on that product stream or refined elsewhere, goes into stainless steel manufacturing. It's everything from cutlery to cars and washing machines.

**Mr. David McGuinty:** Understood.

I would like to turn for a second to Mr. Ferris.

Mr. Ferris, your judicial review application is pretty new. I don't think I've ever heard of a judicial review application on an EA process claiming that the government's refusal to have a joint review panel constitutes insufficient consultation and accommodation on behalf of first nations peoples. It's a pretty groundbreaking application. What's your instinct in terms of how this is going to go?

**Mr. Raymond Ferris:** We believe this is not new. There have been some cases across Canada. All we're saying is that we don't like the decision that has been made by the Canadian Environmental Assessment Agency in referring this EA to a comprehensive study review. We feel that the timelines and the whole process is not sufficient. It's very inappropriate.

We're asked to comment, in writing, three months afterward, but we have people who don't speak or write in English, let alone understand what it means. How can our people provide any comments within that time period? Allowing this process to continue and trying to have our people involved in it just doesn't make any sense at all.

**Mr. David McGuinty:** Deputy Grand Chief, you didn't get to the back end of your brief, but I'm sure most members here have read it, and I want to expand a little bit. You're really calling for a new and quite creative approach to the development of this region.

You're talking about an overarching oversight mechanism at the political level. I think what you're implying is you're calling for federal, provincial, and first nations peoples to co-manage this entire project together in terms of all of the magnitude, all of the opportunities for minerals and beyond. It's a very interesting approach. You're not just calling for a joint review panel, which you support; you're talking about something larger, aren't you?

• (0950)

**Deputy Grand Chief Les Louttit:** Yes, we are. It's not to interfere with the negotiations that are currently happening between a first nation or groups of first nations.

However, we recognize that in the Attawapiskat-De Beers situation, De Beers effectively negotiated an IBA that would set the bar very low in terms of benefits, especially in terms of the financial benefits, and only after the fact did they negotiate with the other three first nations on the James Bay coast. We don't want to see that kind of agreement again.

We want to be able to establish some kind of a coordinating mechanism at the political level, hopefully, to engage the Ontario cabinet members and federal representatives, including first nations leadership. We know there are going to be multiple layers of individual or collective agreements; however, there are certain levels of criteria in terms of maximizing benefits that we need to promote.

**Mr. David McGuinty:** Let me ask one last question, then. We've heard a lot about equity participation and equity interests in non-renewable resource exploitation in northern Canada, and in your brief you're calling for equity interest in the mining companies.

Mr. Boor, is that something your company would contemplate, beyond an impact benefit agreement?

**Mr. William Boor:** That's not our current frame of mind because of the investment we're making in this and because we're trying to make this investment viable for us.

**Mr. David McGuinty:** Has your company ever entered into an equity interest arrangement with first nations peoples?

**Mr. William Boor:** Not that I know of.

**Mr. David McGuinty:** Do you know anybody in the sector who has?

**Mr. William Boor:** I don't know if I've a broad enough understanding to answer credibly, but not that I know of.

**Mr. David McGuinty:** Thank you very much.

**The Chair:** Thank you, Mr. McGuinty.

We'll go to the five-minute round of questions and comments, starting with Mr. Allen, followed by Mr. Calkins and Mr. Rafferty.

Go ahead, please, Mr. Allen.

**Mr. Mike Allen (Tobique—Mactaquac, CPC):** Thank you very much, Mr. Chair, and thank you to our witnesses for being here today.

Mr. Boor, when you talked about your investment, you noted that the facility you're talking about would offer a distinct competitive freight advantage, and your website actually talks about this point. That's what it says on your website with respect to the development of the chromite facility.

You also indicated in talking about this highway that it would be a critical infrastructure investment. If that is the case and you're getting a significant freight advantage from the facility, are you open to being a partner in the investment in that highway?

**Mr. William Boor:** Yes, we have been. A number of different structures have been discussed, including public-private partnerships. I think a summary statement of our view is that we think our project has the ability to be a catalyst for getting that infrastructure in place. We're willing to be partners in that development, but we view it as Ontario and Canada infrastructure.

**Mr. Mike Allen:** Okay. Would you be a partner also for the energy requirements? There's discussion about the several hundred megawatts of power that would be required to satisfy the facility. Is that the same type of thing? Would you be open to a public-private partnership in that type of thing as well?

**Mr. William Boor:** Yes. For us it's all project economics, so if we can put together the proper deal to make the project work, we're open to it.

**Mr. Mike Allen:** Okay. Thank you.

Mr. Coombes, I'm interested in this streamlining of the EA process, and maybe Mr. Boor would have a comment on it as well. You indicated you have an open-pit molybdenum mine in B.C., and Mr. Anderson was just saying there were differences between Saskatchewan and Ontario in the approval process. In New Brunswick they're pursuing an open-pit molybdenum mine as well, and they're going through an EA process now through the province, which is the entry for that project. Are you seeing a difference in the jurisdictions across Canada, and does that provide you with some challenges?

**Mr. Ronald Coombes:** The harmonizing that's going on in British Columbia, although under way, is still a little convoluted, in that the actual policy guidelines themselves still show some challenges. They're a little ways apart from one another. In our case, for instance, we were entering into the EA process in British Columbia only to find out that the harmonization between the provincial and federal governments wasn't adequate for us to actually be able put in the application successfully. There are still some issues that ask us to put the cart in front of the horse.

In our case, we want to enter into the EA process prior to the completion of a feasibility study. Already, from the onset of starting our project, we've done climatology, ground sampling, and baseline studies. We've spent just under a million dollars to date on those studies; however, in the federal EA process, more issues require answers. We really can't answer some of the issues yet in regard to moving waterways, etc., until we complete a feasibility study. There are still some unique problems with streamlining in British Columbia that are unanswered.

• (0955)

**Mr. Mike Allen:** We had some testimony previously in which witnesses talked about the major projects management office helping

to facilitate some of that. In your view, has that helped? We did notice that there's a big difference between the major projects management office and the northern major project management office. Are you seeing some efficiencies being gained by that mechanism? What would you suggest as a way to streamline that process and make it better?

**Mr. Ronald Coombes:** I think the process itself—trying to harmonize interprovincial and federal government policies—makes total sense, because then you're dealing with the proponents at both stages together, instead of having to deal with one and then the other, and then finding out that the other one still wants further.... I think that at the end of day it is not only going to help make the whole system more efficient and productive but also help us to understand what our financial costs are going to be before making those commitments. I think that overall the process is actually going to be based on much sounder principles.

**Mr. Mike Allen:** Mr. Boor, do you have a similar view?

**Mr. William Boor:** Yes. We're at the early stage of this project, but everything I've understood about the major projects management approach is very positive in regard to being able to coordinate the people who are involved. We're hopeful that it will be very helpful.

At Cliffs, in Ontario we actually volunteered for an environmental assessment process so that we could link it up with the federal process and run it as one seamless process. We're very hopeful that this will be an efficient way to go.

**Mr. Mike Allen:** Okay. Thank you.

**The Chair:** Thank you, Mr. Allen.

Mr. Calkins, you have up to five minutes. Go ahead, please.

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

Thank you, gentlemen, for being here today.

I'm an Albertan. I'm going to put something into context. In northern Alberta, we have something called the oil sands and we have some adjacent first nations bands there.

One in particular is the Fort McKay band, which does hundreds of millions of dollars' worth of contracts from the entrepreneurs in the band itself. If you were to take a helicopter ride over the oil sands and you were to take a look, you'd fly over the Fort McKay band and you would think you were flying over a rural residential area somewhere near Toronto, with beautiful big homes being built and so on. That particular band seems to be doing quite well.

Mr. Boor and Mr. Coombes, you've talked about jobs. If these projects are the long-term projects that we think they are, and if we think the Ring of Fire, when the development does happen and goes forward—and I'm optimistic that it will.... I mean, it's one thing to provide somebody with a job, but if you actually give a man a fish, you'll feed him for a day, while if you teach him how to fish, you'll feed him for a lifetime, so my question is from the perspective of training and so on.

Mr. Ferris and Mr. Louttit, you've talked about this as well.

What sorts of agreements are there and what sorts of discussions are going on, not just about providing jobs, but about actually making sure that various people get the training and the experience they need? We're talking about the long term here. The initial tranche will be to just hire people and give them jobs, but what kinds of plans are being put in place? Have any discussions happened with regard to making sure that first nations actually have the ability to start their own businesses and develop those entrepreneurial skills? Is there a utilization of Government of Canada programs in order to train for those entrepreneurial skills? Has any of that come up in any of the discussions?

**Mr. Raymond Ferris:** At this point in time, the first nations do not have any kinds of contracts. Maybe just recently I went through an old contract, but first nations building their own contracts is something that's been ongoing for the last 30 years. As far as I know, this is what we've been trying to get at: why aren't the first nations having contracts, as far as the camps go, in order to build that capacity and build that business knowledge? Then when it comes time for a mining project to happen, the first nations will be ready to take on a contract of that size, possibly for the lifetime of a mine.

So far the first nations don't have those kinds of contracts, other than maybe the Webeque First Nation, which did get some contracts, but they seem to be complaining that the significance or the role they play in those contracts is totally lopsided, and it isn't the kind of contract that I would be encouraging first nations to take.

In my own community of Constance Lake First Nation, we negotiated with a mining company right from the very beginning, when the mine started, so that everybody knew where we were and where all our roles would be throughout the life cycle of the mine. The idea was that if you want this, then you have to give us this.

We've taken a lot of these contracts throughout the exploration stage, and what it does is attract attention from the community that this mining company is going somewhere with us. Then in the end, we see that there will be significant benefits when the mine project itself starts.

• (1000)

**Mr. Blaine Calkins:** It sounds as though there are some folks in the area who do have some expertise with running a business, being able to prepare a contract, and establishing a business plan to go forward in concert. Is that true?

**Mr. Raymond Ferris:** Our ideal process is to work with the partners and to have the knowledge to be able to build up those skills and that capacity, especially with the contracts.

**Mr. Blaine Calkins:** I think it's a long-term plan; these things don't just happen overnight. Fort McKay First Nation didn't just dive right in there and start getting multi-million-dollar contracts from Suncor and Syncrude. These things happen over a long period of time.

I have a question for Mr. Boor or Mr. Coombes. We've heard a lot of concerns about the length of the regulatory process and about some of the roadblocks, which include dealing with the Government of Canada and, in certain situations and depending on the province,

the uncertainty of dealing with some of the hurdles and obstacles when it comes to court challenges and so on.

I think you said in your testimonies that you're both publicly traded companies. Is that right?

**Mr. Ronald Coombes:** That's correct.

**Mr. Blaine Calkins:** Every time you move forward, you have an announcement, a positive press release that says you've achieved another step in the hurdle, and so on. However, every once in a while you have a setback, whether it's a challenge or a regulatory setback. What does that do to investor confidence for your companies?

Can you guys speak to that?

**The Chair:** One of you can give about a 20-second answer, please.

Go ahead, Mr. Coombes.

**Mr. Ronald Coombes:** It's an interesting question, because it's a double-edged sword. Since 2008, the international markets have basically blown up, and it's been much tougher getting dollars to finance projects. They want to see a lot more certainty in a project from the production end right now, rather than at the junior resource side, so it's been a lot tougher for the junior exploration side to raise capital.

Certainly their questions are very important. They want to know where the money is going, and the uncertainty of not knowing where certain dollars are going when you're talking to fund managers, etc., does create a difficult situation.

**The Chair:** Thank you.

Mr. Rafferty, go ahead. You have up to five minutes.

**Mr. John Rafferty (Thunder Bay—Rainy River, NDP):** Thank you very much.

I'm pleased to be here today to sit in on this discussion. My riding, since it's in northern Ontario, is perhaps receiving some benefits from the Ring of Fire.

I have three sets of questions. I hope I can get to all of them.

Let me just say that I'm interested in education because of my background, but I also have lots of mining engineers in my family and I have a daughter, in fact, who works in mining in British Columbia, so I'm pretty up on the mining industry.

It can be a very quick answer to my first question, Mr. Boor. It concerns the process. I've seen it mentioned in your literature, and Sudbury was mentioned today, whether there is an all-weather road or not. Can I assume from those comments and from the literature I've read from your organization that Thunder Bay is not in the running for this processing?

**Mr. William Boor:** I don't want to speak specifically about which municipalities are in the running at this point or not. Sudbury was identified as a base case because it is technically viable. There are other municipalities that are involved.

**Mr. John Rafferty:** Okay. That's as much of an answer as I'm going to get out of you.

**Mr. William Boor:** You wanted it to be quick too.

**Mr. John Rafferty:** I'm very pleased that a lot has been mentioned about training and apprenticeship.

Over the last number of years, northern Ontario chiefs have told me they don't sign contracts for labour that lasts a year or more during a construction phase, meaning the long-term jobs and particularly the ones with mobility. When they're talking about trades and apprenticeships, they are talking about first nations people having the opportunity to get tickets, so that if they are electricians or plumbers, they are a mobile workforce and can move. They would still have a home community, but they would work throughout northern Ontario and perhaps all of Canada.

The mining association has raised a concern about the ending of the aboriginal skills employment partnership program. Since 2003 more than 18,000 aboriginal people have been trained under that program. The funding is running out this year, and the government has not renewed support for this program. What will the impact be on you and your organization in terms of training?

●(1005)

**Mr. William Boor:** Obviously, from my perspective losing any program that facilitates that kind of training would have a negative impact.

What we need to do first is work with the communities that are affected to develop the training plans that we want to execute. That's what I commented on earlier, saying I think we're a little late in doing that and that I would like to see it go faster. Once we figure out the specifics of these plans, then having access to those sorts of programs is very important.

**Mr. John Rafferty:** Deputy Grand Chief, just to keep you in the loop, you mentioned training and apprenticeships in your opening statement. I wonder if you have any thoughts on this, in particular with regard to the ability to work with organizations like the construction trades or IBEW and having aboriginal people being trained and acquiring professional qualifications that would allow them to be mobile.

**Deputy Grand Chief Les Louttit:** Thank you, Mr. Rafferty.

I would like to talk about the example of De Beers' Victor Mine in Attawapiskat First Nation. As part of the IBA negotiations, there was a requirement to construct a training facility in the village of Attawapiskat, which they did. By the time it was built and there had been several intakes for the construction and skilled labour, the construction period was over, so those trainees were not able to benefit from the construction of the mine.

Then they switched over to training the processing plant workers at the mine site. Several intakes of processing workers were trained; they had to compete with other skilled and experienced processing workers from other mining developments in Canada, so the net effect was that it was too little, too late. The training facility should have been built earlier, as indicated here earlier. We need to get people ready for when the mine is constructed four or five years from now. We need to have facilities built now. I know that a couple of chiefs in the area indicated they would like to have such a facility.

Now there is a facility in Attawapiskat that remains closed. I was there a week ago, and there was no training going on at all. That could be used as one potential training site.

**Mr. John Rafferty:** Thank you, Deputy Grand Chief.

I have one last question for Mr. Coombes. What is your understanding of treaty rights and traditional lands? Do you have any comments either on behalf of your company or yourself?

**Mr. Ronald Coombes:** You know, in the last five years in particular the bar has shifted, and I don't understand it anymore. We thought we understood. We need some direction from the Canadian government to understand exactly.... Our thought on the duty to consult, for instance, was employing people at the early stages and giving them the understanding of what is going on.

In our project in British Columbia, we've had no difficulties whatsoever. We've hired first nations. We use them as dispatching for employment purposes, etc. We've consulted, we've completed an MOU with them, and we've completed the traditional knowledge protocol, but the bar has been shifting to a point where I'm starting to wonder what our legal rights are as an exploration company, for instance.

We're working on crown land. At every avenue and whenever possible, we're trying our best to employ aboriginal communities wherever they are within our exploration projects. What I'm seeing right now disturbs me. It really does disturb me, because once again, we're looking for financing from abroad for our public companies, so we have to explain to shareholders where the money is going, and having to deal with some of the issues we're dealing with really puts us in a bit of a bind as a public company. They're political issues, not the business issues that we should be dealing with.

●(1010)

**The Chair:** Thank you, Mr. Rafferty.

We go now to Mr. Trost, followed by Mr. Stewart.

Go ahead please, Mr. Trost.

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

My first question is to Mr. Ferris. Correct me if I'm wrong, but this would be my summary of your position and the problem you're having: your communities have a capacity problem in the ability to fully interact in the environmental assessment and related issues. They don't have the ability to quickly respond and to understand what is being done.

Would that be a fair assessment of your position? You're open to engaging, but the ability to absorb and respond and to transmit and communicate your needs is lacking.

**Mr. Raymond Ferris:** That's exactly right. There isn't sufficient time to respond to the comprehensive study review process currently being approved.

**Mr. Brad Trost:** Thank you. To Mr. Coombes, then, in the reverse; would you also agree that there is a lack of capacity to understand the process from the other side?

I think of some of the stuff you were talking about. I remember reading that one of the first nations groups in Saskatchewan asked for royalties on the exploration phase. They weren't trying to be funny, but they didn't understand the royalties on the exploration phase.

Is it your experience that many of the local people don't have a full understanding of the industry and the benefits, and also the processes that go with the benefits?

**Mr. Ronald Coombes:** That's correct.

I think that if they understood the impact and what is involved in the financing of projects, they'd understand that once we actually know that something of economic value is there, the bar changes. As soon as you know there something of economic value, the bar changes, and you have to start looking at participation agreements, etc. I know that we've helped on our project in northern B.C., where we know that there is a deposit, but you're right: I think there is a lack of understanding of the cost, the risk, and the reward.

**Mr. Brad Trost:** We go back to Mr. Ferris.

You were noting that there is a 90% unemployment rate in the jurisdiction that you represent. When you say that, it brings to mind some of the communities I worked in as an exploration geophysicist.

It reminded me that a lot of the people who had the best skills tended to move on. Let me ask where the education bottleneck is. If these jobs do come, who is going to get them? Are you going to have people who are part of the 90% unable to take these jobs because they don't have proper high school education? You referred to some of your community members who have struggles with the English language. I'm assuming they'd be more the elderly, but perhaps not. Where is the education need the most acute, to prepare your community for the potential of economic growth?

**Mr. Raymond Ferris:** This is where the agreements need to be in place, even during the exploration phase.

Maybe there are some people just looking for funds, but the funds they're looking for have to come from somewhere. We need to deal with this.

**Mr. Brad Trost:** Even if you get the funds, what are you looking for?

I remember talking with one first nations representative in Saskatchewan who told me that a real problem is grade 5. People are dropping out at grade 5, and we can't get them to high school, and from high school to the trade schools and universities. Is that part of the community problem too? People who have good job skills and a 90% unemployment rate are headed south to Thunder Bay, to Toronto, to somewhere else.

**Mr. Raymond Ferris:** Yes.

What I was getting at was that in the province of Ontario and Canada...our schools are not on par with the provincial levels. We only get half the funding of what the provincial levels get.

If one of our people is in grade 8, when they go to a provincial school, their level is right down to about grade 4 because of that discrepancy. We feel this is why the agreements are very important, so that when the EA—

•(1015)

**Mr. Brad Trost:** Very good. I got you there, but I have only a few seconds left.

My final question is this: if this infrastructure does get in place, is there potential for industries other than mining to spin off, industries that could potentially bring in a wider group of people to be employed? Do you see that potential in your area, Mr. Ferris?

**Mr. Raymond Ferris:** Yes, we do.

We talked about the infrastructure. We talked about the transmission corridors, and by the way, if the smelter or the furnace is brought into our area, it has the potential to justify electrification in our communities. This is why we're going to stand our ground and say that we're going to have this furnace in our area. It's because this is one of the opportunities. Accommodation is part of what the courts have told the governments. There needs to be accommodation, and accommodation will come. Some of it will come in the form of electrifying our communities.

The furnace is what's going to provide this huge opportunity for the first nations, and not only that: we're not involved with just our own nine first nations, but also with the Lake Nipigon chiefs of several other communities. We're working together to allow these solutions.

**The Chair:** Okay, thank you.

Thank you, Mr. Trost.

We'll go to Mr. Stewart for up to five minutes. Go ahead, please.

**Mr. Kennedy Stewart (Burnaby—Douglas, NDP):** Thank you, Mr. Chair.

When I look at the wealth of experience around this room and around this table concerning this area, I see Mr. Gravelle, Mr. Rafferty, Mr. Hyer, Dr. Trost. I am reassured to see that we have the right people here in the room to consider this issue. That reassures me.

My background is really on public consultation, public participation, and policy-making. The key idea that we look at in this area is reasonableness. It's really the key concept of any idea of fairness or justice. I can't help thinking about how this conversation would go if the positions were reversed—if first nations, for example, were planning a giant mining development right beside Mr. Boor's or Mr. Coombes' home, or their parents' homes, or their children's homes.

How would we think of this if we applied the idea of reasonableness? How perhaps might we be looking at this slightly differently? We'd have different conversations.

Mr. Ferris and Mr. Louttit, I am thinking of this idea of reasonableness. If you succeeded in obtaining a joint review panel—let's say that happens through your court action—what would you tell this panel are potential positive and negative impacts of the project, in this view? If you had your chance to get in front of the panel, what would you say are the positive and negative impacts?

**Mr. Raymond Ferris:** One of the first things I would say is that the first nations people have lived in this area for thousands of years and that we are part of the environment. The environmental assessment shouldn't take into account an approval process just for a mine to go ahead, but it should take into account our people, who have lived on and worked these lands.

We have an economy there, whether people believe it or not. To be removed from that site is something that we're not going to stand for anymore. For example, our language in the southern part of this region is getting lost, so this is going to happen at the same time.

How is that going to be compensated for? What kind of mitigation measures need to be put in place? This is why this environmental assessment is very important for us. We need to have our people be able to say their piece, address their concerns, and see how any of their concerns are going to be mitigated through a process. The comprehensive study review will not allow that.

**The Chair:** Go ahead, Mr. Louttit.

**Deputy Grand Chief Les Louttit:** I want to comment on Mr. Boor's admission that he lacked the knowledge of aboriginal treaty rights. I would assure him that if a joint review panel process was in place, he would have ample opportunity to hear from the people themselves who live off the land in the territories in which this mining development is taking place. He would come out of there with a good understanding of their needs and the impacts on their aboriginal treaty rights. I support what Mr. Ferris is saying here. This is a good opportunity for all parties to benefit.

• (1020)

**Mr. Kennedy Stewart:** Then you're saying the joint panel review gives a comprehensive sense that lets people look at all aspects, rather than a somewhat narrow review of..

**Deputy Grand Chief Les Louttit:** Absolutely.

**Mr. Kennedy Stewart:** Okay.

I'll move over to Mr. Coombes and Mr. Boor. If this project was located next to your home, where you'd lived forever, would you say that the comprehensive review process is reasonable, something that is okay in your area, or do you think you would want something more comprehensive?

**Mr. William Boor:** One of the main things I'd like to dispel is the concept that longer equals more rigorous or more thorough. The comprehensive review can address the things that I've heard. I've heard that the first nations communities are worried about translation and being able to ask questions and give input; that can all happen under a comprehensive review. They are concerned about time, because they think the process would be rushed; however, there's no really firm time limit on a comprehensive review. There's a timeline that starts and stops. It goes on for as long as it takes to be completed.

I differ on the full review of impacts challenge as well because the output of both processes is the same: an environmental assessment. What's important is how you work within the process, and I think the comprehensive review gives the advantage that we can customize and work together to put together committees and whatnot to ensure the involvement, whereas a panel review goes to an independent panel and is a much less controlled process from that perspective.

**The Chair:** Thank you, Mr. Stewart.

Mr. Daniel, you have up to five minutes. Go ahead, please.

**Mr. Joe Daniel (Don Valley East, CPC):** Thank you, Mr. Chair and witnesses. It's good to see you all here.

This looks like a great opportunity for both the companies and the first nations. We should be anticipating both the needs of the company and the needs of the first nations, yet we seem to be focusing on things like trades. If I look at the websites for these companies, I see that they have great positions in IT, in management, in supervisory roles, etc. I don't see you guys on the first nations side thinking of taking up some of these more comprehensive roles for which you can get training now almost anywhere in Canada. Can you comment on that? Is that something to do with the culture, or is it something else?

**The Chair:** Mr. Ferris, go ahead.

**Mr. Raymond Ferris:** It's good to say one thing, but to actually do it is very difficult. It's difficult to understand that.

Yes, we do like to get those opportunities. In the past we've heard enough talk; what we want is actual agreements that say let's do this, let's work out this process together and identify the roles and how we're going to put this all together, rather than just saying that these are the opportunities that are there. How do we achieve them when we're not provided with any kind of funding?

That is just one component of an agreement that allows us to spell out what our roles are going to be throughout the whole process. We need to know where we stand right now. We don't know where we stand. We're so far behind. We feel we're far behind.

**Deputy Grand Chief Les Louttit:** Traditionally, training has been viewed as providing labour jobs to first nations rather than to communities. There are very few skilled labourers within those communities, and even those who do have skills are either working elsewhere or have to compete with unions and other entities to get those jobs. There are no guarantees.

Yes, our people are in training. A lot of students from these communities are in community colleges and universities in northern Ontario, and they are studying in all these fields that you talk about: management, IT, and other technologies in trade schools. If they had the opportunity, I'm sure they would take that advantage.

• (1025)

**Mr. Joe Daniel:** When I look at your website for the nations and at the education programs you have there, they don't match up with the potential jobs that are going to be available. Have you thought about how you can rearrange that to meet your needs and have people able to go into these positions?

**Mr. Raymond Ferris:** We'd like to be able to sit down with the companies and the industry and identify how we're going to move this education and training process along. Right now we're concerned that contracts usually go to the lowest proposal, which doesn't take into account the capacity-building within those contracts. It boils down to having agreements with first nations and the funding necessary. First of all, we have to identify what kind of inventory we have, so we're working at that.

**Mr. Joe Daniel:** My concern is that you're going to miss the boat. By the time the jobs are available and things are happening like that, you're going to have people from the outside communities coming in and taking those skilled jobs that you folks really should have. That is what will keep your people in the same area.

**Mr. Raymond Ferris:** When you apply for dollars from the government, they ask where we're going to get these jobs and where we're working. Without an agreement, it's difficult to get this kind of funding.

**Mr. Joe Daniel:** I guess I'm missing it somewhere. Your folks can go to any of the colleges and universities to get these skills in IT, management, or supervisory roles, right? Do you need any special funding for that, or is it the same as any other Canadian going to school and getting those skills?

**Mr. Raymond Ferris:** I'm talking about the trades, apprenticeships, and things like that. If you want to follow through with a company, then the government views these and says we need—

**Mr. Joe Daniel:** I'm suggesting that you're shooting way too low if you concentrate on the trades. I think there are opportunities way above the trades that you as first nations should be able to compete for and win. You could keep your people in the local area rather than getting IT skills and going off to Toronto. You should be able to anticipate that. I think there are some huge opportunities for the nations to be able to do well out of that. That's my train of thought there.

If these jobs weren't there, what else would your folks be doing?

**Mr. Raymond Ferris:** There would not be much happening in the communities.

If we look back at the past and at what has happened in our communities, we've watched trees go by our communities. There are entities such as unions. We had been in battles with them in the past and we were unable to get on with the unions. There are those kinds of issues. We want to sort all this out before any of that happens.

**The Chair:** Thank you, Mr. Daniel.

We go now to Monsieur Gravelle.

**Mr. Claude Gravelle:** I'd like the Deputy Grand Chief to expand a little on a comment he made a while ago about the De Beers training centre being vacant. If the aboriginal skills and employment partnership were renewed, what kind of training would be available at the De Beers site?

**Deputy Grand Chief Les Louttit:** What should be taking place is an inventory of all the potential jobs from these companies that are going to be developing our resources. Having identified those different areas, whether they be skilled or non-skilled, technical or managerial, the companies could provide the training programs and the facility could be used.

I was there a week and a half ago, and it was boarded up. I'm sure that with some request to the First Nation of Attawapiskat and De Beers, which built it, there could be an opportunity for at least an initial training program for the people from the area who'd want the jobs. It seems a waste that this facility was built and is standing idle.

• (1030)

**Mr. Claude Gravelle:** Mr. Boor, if the aboriginal skills and employment partnership program were renewed, would your company be interested in training aboriginals at that De Beers site?

**Mr. William Boor:** I can say categorically that our company's interested in getting into the training programs, and we'll use any tools that are offered to us to do that. The missing ingredient so far has been getting to the discussions that we need with the communities to be specific about those training needs.

**Mr. Claude Gravelle:** As mines progress in life, a lot of tailings are emitted. How much tailings would this mine produce? What would you do with the tailings?

**Mr. William Boor:** In my immediate memory about the current state of the development... I mean, there would obviously be tailings. We've got a storage facility in our design at the mine site for the tailings, and it meets the length of time of this mine. I can't give you the actual tonnage off the top of my head because I'm afraid to misquote it.

**Mr. Claude Gravelle:** What type of storage?

**Mr. William Boor:** It's just a tailings containment area. To go a step further, early testings—and this has to continue—are to try to identify whether there's any hazardous element in the tailings. So far we think it's very manageable. That's what will continue to be investigated during the environmental assessment process, because there are ways to manage these things.

**Mr. Claude Gravelle:** I'll pass on the rest of my time to Mr. Chisholm.

**The Chair:** Mr. Chisholm, you have about a minute and a half.

**Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP):** Thanks very much.

I'm interested in the presentation. I'm curious, though, why the companies have not been more engaged with the local first nations communities in terms of trying to resolve this issue around the joint environmental assessment panel. These are relationships that are progressing at levels far ahead of what's going on here, from what I can tell, across this country.

This is going to get resolved by the courts, I believe, but since this is a big project that is going to have a huge impact on those communities, would it not be better if the parties agreed to a joint panel and got at it? It's not just crown land; it's land that has been influenced by treaties.

**Mr. Ronald Coombes:** Can I answer that question? We've actually got a policy right now in the EA process with the Kaska Dene in British Columbia that I think a lot of people could take advantage of: we actually send all of our draft materials to the first nations long before that stuff actually gets handed in to the government offices. We have a 100% open door policy that we'll answer any questions. If they have a professional who would like some answers, certainly those questions can be asked and answered.

I would have to agree with you that there's an easy way around all of this. Whether you want to call it a joint environmental review or whether or not participation is an important thing.... I think participation is very important. Our feeling as a group of companies is that we want to keep everybody in the know as to what's going on at all times, so I think addressing that may be of help. We could be handing the information to them so they can actually have a proper review of it prior to submission.

**The Chair:** Thank you, Mr. Chisholm; your time is up.

We'll go now to Mr. Allen. You have up to five minutes. Go ahead, please.

**Mr. Mike Allen:** Thank you very much, Mr. Chair.

I have a two-part question and then I think Mr. Anderson will finish the time.

Deputy Grand Chief, in your presentation you mentioned community infrastructure and talked about how BHP and Rio Tinto made some investments in the communities from that standpoint. The first part of my question is this: what process did they go through? How would that compare with a De Beers situation, or does it?

Then to our two company representatives, how active are you in your community projects, and how so?

•(1035)

**Deputy Grand Chief Les Louttit:** I would imagine that the companies I referred to in my presentation undertook those.... There's a corporate social responsibility issue that companies should be engaging in with the aboriginal communities. Those are examples of companies that have shown that engagement and had a desire to improve the lives of people who would be impacted indefinitely.

This is something that's possible, and it's quite possible in the Ring of Fire. In fact, it has to take place; otherwise, communities get left behind. As I indicated, the Government of Canada funding for major capital projects in these communities is declining such that within 10 years we may not have the funding we used to have. It's all now centralized here across the river at the Hull office. The projects that have been put on the major capital plan have now been deferred and delayed years into the future.

We see no alternative. We have to leverage the wealth extraction from our territories to fund our community development and our community facilities. That has to happen. Where else are we going to get money? We can't go to the World Bank, as underdeveloped countries can.

**Mr. Mike Allen:** Mr. Boor, Mr. Coombes, how actively are you involved in the communities where you have projects, and how so?

**Mr. William Boor:** On the social responsibility side, we're currently investing in social investment programs in some of the most directly affected communities. One example would be the prescription drug program to try to reduce that problem. We recognize that these things are all connected. You need to invest in the social programs to allow people to be ready for the training that will prepare them for the jobs that in turn are going to reverse the trend, which was talked about earlier, of people leaving the communities.

This is all connected, so Cliffs looks at it in a very total way, and we fully expect to continue investing in various programs on the social front in these communities. Making a difference in these communities through our project is part of our definition of success.

**Mr. Ronald Coombes:** As a junior group of companies, we only have the one project right now that is of a size to warrant engaging in community support, etc. Certainly, our aspect regarding community benevolence and helping the community is there.

As an example, there was a first nation in northeastern B.C. that had a gas station with a tank that was kaput. They needed a new tank. We graciously gave them the moneys required to be able to put a new tank into that gas station so that they could run a business. It's not a business associated with ours, but we'll certainly use that gas station for fuel purposes for ourselves in the future.

We recognize that camps and all these things are necessary to have a relationship. We're talking about a relationship with the peoples, and you want that relationship to be fostered with kindness and to help them enjoy some of the wealth that will hopefully come from the project eventually. I think we're all on the same page as far as support is concerned.

**The Chair:** Mr. Anderson, you have up to five minutes. Go ahead, please.

**Mr. David Anderson:** Thank you, Mr. Chair.

I want to follow up a little bit on the topic of regulatory reform. I don't know if anyone has had an opportunity this morning to talk about what improvements you might make. When MP Greg Rickford and I had a chance to travel across northern Ontario and northern B.C., we heard consistently that we need to do a better job in terms of regulatory reform.

One lady told us that when it comes to the EA process, they have a stack of documents this high that they need to deal with, and when it comes to the duty to consult, they have a much smaller stack. She thought perhaps we could find a better balance. I'm interested in your suggestions this morning as to how we might improve the regulatory structure and system. We've talked about that aspect at committee here, and I'm sure there will be some recommendations in our report.

Please go ahead.

**The Chair:** Mr. Coombes, go ahead, please.

**Mr. Ronald Coombes:** I don't think the duplication of review helps either party. As far as regulatory purposes go, I think there should be more of a collaboration between the first nations and the companies with regard to the EA process. I see that as being important.

Of course, we're both sourcing individuals for professional guidance, and both sides are basically sourcing the same information. The duplication of cost doesn't seem to make any sense. At the end of the day, we're certainly all concerned about the same thing, and that's the environment. We'd like to see that everything that needs to be mitigated is mitigated prior to start-up, etc.

I don't disagree with the idea of consultation. I think it's very important. I think the first nations should know. It's in their community that we're planning on building these mine sites, and they certainly have the right to know what's happening or what's going to happen and what future ramifications there are.

I think we all fully support that.

• (1040)

**Mr. David Anderson:** Mr. Ferris, do you want to go first in case we run out of time, and then we'll go back to Mr. Boor?

**Mr. Raymond Ferris:** I've always felt that consultation is a two-way communication between the first nations, companies, and the government or whomever. We feel that it's incumbent upon the government, because they're the ones that have the duty to consult, to accommodate some of the first nations' needs, which would include things in that big stack of binders. For us, it's simply another language that we do not understand. To go through all that, first nations with the expertise to understand that language and put it into terms we can understand need to be hired.

**Mr. David Anderson:** You're saying that something simplified and streamlined, without skipping the necessary steps, would help you.

**Mr. Raymond Ferris:** It's fine to bring a whole bunch of binders to a community, but what good is it going to do if we don't understand what's being said in there?

**Mr. David Anderson:** Okay.

Would you like to comment, Mr. Boor?

**Mr. William Boor:** First of all, I think that this might be the definition of success: having a smaller and more streamlined procedure.

I look at the consultation as something we actually completely support. That's the "how to". We're trying to do a full review of the environmental impacts of a development that has both benefits and environmental concerns that need to be addressed. The consultation I don't see as a problem. We have to get into the details of what it looks like to run one of these environmental assessment processes.

Very often I find we're talking about such concepts as joint panel review versus a comprehensive one and not sitting down and talking about how we can get it done. We can get it done with an environmental assessment that meets the needs of all the parties involved.

**Mr. David Anderson:** Mr. Grand Chief, did you have a comment, or did Mr. Ferris want back in?

**Deputy Grand Chief Les Louttit:** Going back to De Beers, when we were negotiating agreements with De Beers, they provided the environmental assessment documents after the fact, and there was only a very small section within those reports that referred to native aboriginal values, traditional hunting areas, and all of that, and consultations. It was very limited. I believe that was a comprehensive review process that was undertaken by the proponent, which was De Beers, but there was no first nations involvement to any extent during the negotiations themselves, because they were required to talk about the EA process.

**Mr. David Anderson:** Okay.

Mr. Ferris, did you have a comment?

**Mr. Raymond Ferris:** I just wanted to point out that first nations required some resourcing, and the government, on April 19 of last year, approved some funding for individual first nations. To this day, not one of our first nations has received any kind of funding. Maybe one that was approved...

**Mr. David Anderson:** Do you know why?

**Mr. Raymond Ferris:** No.

**Mr. David Anderson:** Is it just delayed, or are there reasons why?

**Mr. Raymond Ferris:** I'm not certain. The chief himself is here. He can probably explain, but it has been almost one year now, and this money was required immediately. If we had some kind of agreement before the decision of the EA, we could have been walking hand in hand with industry, as partners, applying for this EA.

**The Chair:** Thank you, Mr. Anderson.

Our time is up for today. I'd like to thank all the witnesses very much for being here today. Your input is very helpful for us in this study.

I thank all members of the committee for great comments and questions.

The meeting is adjourned.







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