

Speaking Notes for the Honourable Dennis Fentie, Premier,  
Government of Yukon

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**Resource Expo 2002**

**TOGETHER WE WILL DO BETTER: YUKON AND FIRST NATION  
GOVERNMENTS WORKING IN FULL ECONOMIC PARTNERSHIP TO  
DEVELOP YUKON'S ENERGY RESOURCES**

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Calgary, Alberta

*Check against delivery*

Good morning and thanks for your warm welcome and introduction, David.

On behalf of the Yukon government, please allow me to extend our gratitude to the organizers of **Resource Expo 2002** for the opportunity to speak with you this morning.

This is my first visit to Calgary since our government was elected on November 4th, just a few short weeks ago. In fact, we were only entrusted with the formal responsibilities of government on Saturday. It is no coincidence that my first visit is here.

This is an historic event that has drawn together aboriginal Canada and Canada's resource industries to discuss how this sector can involve aboriginal people.

This conference and trade show reflects a new reality, a new reality in the Yukon, in the north, and in the rest of Canada. That reality is simple.

Resource development, and the investment certainty it requires, is no longer possible without the involvement of aboriginal people who may be impacted by resource development projects. Moreover, that reality is not limited to aboriginal groups with land claims or other modern treaties or agreements. That reality is reflected in the topic of my presentation to you today and it is one of the major reasons why we were successful at the polls on November 4th.

My presentation is entitled: **"TOGETHER WE WILL DO BETTER: YUKON AND FIRST NATION GOVERNMENTS WORKING IN FULL ECONOMIC PARTNERSHIP TO DEVELOP YUKON'S ENERGY RESOURCES."**

The Yukon government is committed to establishing a government-to-government relationship with all 14 Yukon First Nations and to make them full partners in the economic development of the Yukon.

They will share the burdens of the decision-making process but they will also share in the benefits resulting from those economic decisions. For far too long, Yukon First Nations have experienced the impact of development while experiencing few of the benefits. The Klondike Gold Rush of 1898 and the construction of the Alaska Highway

in 1942 come readily to mind. This must change and our government is committed to making this change.

The Yukon government plans to take what we call a “**Team Yukon**” approach to governance and in creating a positive investment climate in the Territory.

For 30 years the Yukon government and Yukon First Nations have been sitting across from one another at the land claim negotiating table. Still only 8 of the 14 Yukon First Nations have finalized their land claims settlements.

If requested by First Nations, our government is prepared to assist in completing this unfinished business whether it be helping with the ratification process or in re-engaging the Federal government in negotiations.

The parties have invested years and years in the land claims process so we would all like to see them brought to a successful conclusion. While the Yukon government will do everything in its power to complete the land claims process, we believe it is time for the Yukon government and the 14 First Nation governments to sit on the same side of the table and think outside of the land claims box.

Our government is committed to establishing a new government-to-government relationship with Yukon First Nations based on mutual respect consultation, cooperation and collaboration. Our objective is to improve the operation of all governments in the Territory, reduce barriers and provide more cost-effective services to all Yukoners. This new relationship will serve to improve the economic and social circumstances of all Yukon people.

Partnership and collaboration among developers, the public and First Nation governments are fundamental for the success of any resource development project. While I am focusing on the economic and energy side of this relationship in my presentation today, it will also extend to all areas of governance including: health, education, social and community services.

Work on this new relationship started even before the Yukon Party was sworn into office. I have already met with the leadership of the Kaska Nation, the Kwanlin Dun, the Council for Yukon First Nations, the Northern Tutchone Council, and the White River First Nation. More meetings are pending.

I am excited by the dialogue we are opening up with Yukon First Nations and the potential these discussions hold for developing a new government-to-government relationship with First Nations. By working together we want to align the economic interests of the fourteen Yukon First Nations with those of the Yukon government.

It is our objective to develop a governance regime that will provide the certainty resource investors need to make positive decisions about investing in Yukon’s resources.

Yukon First Nations citizens and all Yukon people want the economic and social benefits that resource developments such as oil and gas can bring to them and their families. We concur.

Traditionally the Yukon has had a resource-based economy but the benefits from the development of the Territory's vast resources have not been evenly distributed.

It is time for Yukon First Nations to receive their fair share of economic benefits from resource development within their traditional territories. Yukon First Nations have already made it clear that they are interested in resource development and business enterprises.

The Kaska Nation has business arrangements with such companies as Akita Drilling and SNC-Lavalin Ltd., one of Canada's foremost engineering and construction firms, and a Yukon-based company Trans North Helicopters. The Vuntut Gwitchin of Old Crow have invested in Air North that has enabled the Yukon based airline to expand and provide jet service between Whitehorse, Calgary, Edmonton and Vancouver.

The challenge facing the Yukon and First Nation governments is to develop an economy in which these and all other Yukon companies can prosper.

We know what industry needs. Industry needs access to resources, a common regulatory regime, regulatory clarity, security of tenure, lower costs, a skilled workforce, cooperative governments, and support of First Nations and other Yukoners -- in other words creating "certainty."

As many of you know the responsibility for managing Yukon's oil and gas resources was transferred from Canada to the Yukon Government in 1998. The Yukon Legislative Assembly subsequently passed the *Yukon Oil and Gas Act*. This Act and its Regulations are unique in Canada in that they were developed in collaboration with First Nations, the result of which is a common regulatory regime that applies to both public and First Nation settlement land. But it isn't perfect. It has been used to conduct three dispositions of oil and gas exploration rights and we've learned from that process as have our First Nation partners.

Our *Oil and Gas Act* already contains the most rigorous consultation requirements of any such legislation in Canada. Those requirements are binding on the Yukon government where the disposition process is concerned.

However, some First Nations believe the process can be improved further so we have agreed to refine the consultation process to provide even more opportunities for community consultation in advance of the disposition process.

We are also consulting with First Nations about other aspects of the act such as Royalty Regulations. Producers have also been involved in this work through the Canadian Association of Petroleum Producers (CAPP).

I believe that by working together we can provide a competitive management regime that meets the needs of all parties and invites investment in our oil and gas resources.

It also goes without saying that industry also needs to be able to explore regions that have a high resource potential. The Yukon enjoys an immense endowment of natural resources. For over a century the mineral industry has sustained our economy and in

fact, most of our industrial and transportation infrastructure was constructed to meet its needs.

Although it has endured some lean years, there remains a bright future for the mineral industry in Yukon as base metal prices recover, new discoveries are made, and we work to rationalize how this industry is regulated.

Yukon is also fortunate to host significant oil and gas resources in eight sedimentary basins. It is not surprising that we are keenly interested in the current efforts of producers, pipeline companies, aboriginal people and governments to develop the vast natural gas resources of Alaska, Yukon and the Northwest Territories.

Yukon's petroleum potential has been aptly demonstrated by the existing Kotaneelee gas field in southeast Yukon; by significant oil and gas discoveries at Eagle Plains in north Yukon; and by shows from wells drilled in the Peel Plateau.

Until recently Yukon's natural gas resources were estimated to total about 9 trillion cubic feet (tcf), an amount of gas equal to proven discoveries in the Mackenzie Delta and near shore waters of the Beaufort Sea.

Recently the Yukon government asked the Geological Survey of Canada to conduct four new resource assessments of the Eagle Plain Basin, the Liard Plateau, the Whitehorse Trough, and the Peel Plateau.

The preliminary results of that work are complete and the results are staggering. For example, I am delighted to say that the estimated natural gas potential of the Eagle Plain Basin has been revised from 2 trillion cubic feet (tcf), upward, to 6 trillion cubic feet. In other words the gas potential of this region has tripled, in large part because the assessment considers new geological data that had not been included in previous assessments. Obviously, we are very excited by this news and we look forward to sharing these assessments when they are complete.

Southeast Yukon is a treasure house of natural resources. It is rich in mineral, forest and petroleum resources. The potential of the Liard Plateau has already been well established and I understand the enthusiasm held by industry for conducting further exploration and development in this region.

Making the situation even more ideal is the fact that the Kotaneelee field has pipeline infrastructure already in place.

On April 1st next year, the Yukon will assume the responsibility under the Devolution Transfer Agreement for the control and management of our minerals, forest and water resources.

Devolution means that the Yukon government will be entrusted with the responsibility to manage and develop Yukon's resource wealth for the benefit of all Yukon people both now and in the future. Devolution will enable the Yukon government to implement policies and regulatory regimes that will contribute to a prosperous and competitive Yukon economy. Devolution will also give us a tool to help restore investor confidence in the Territory. All this sounds pretty good – does it not?

There is one major problem and that concerns Devolution proceeding before the completion of the Liard First Nation's land claim, the settlement of the Ross River Dena Council and possibly before the ratification of the settlements of the four Yukon First Nations that have signed memorandums of understanding. They are the Carcross Tagish First Nation, the Kluane First Nation, the Kwanlin Dun First Nation, and the White River First Nation.

The preferred position of our government is that all First Nation land claims should have been settled prior to Devolution. We didn't negotiate the Devolution agreement but now we must manage its implementation. That is the challenge we now face and we welcome the opportunity. Three days after taking office we are fully engaged in meeting that commitment.

As a mark of good faith, our government has invited the leadership of the Kaska Nation to join us here in Calgary. The Kaska Nation leadership delegation includes Tribal Chief Hammond Dick of the Kaska Tribal Council, Chief Jack Caesar of the Ross River Dena Council, Chief Daniel Morris of the Liard First Nation, Deputy Chief George Miller of the Lower Post First Nation, Chief Frank Dennis of the Dease River First Nation and Dave Porter, Chair of the Kaska Dena Council. Chief Emile McCook of the Kwadacha First Nation unfortunately could not be here with us today.

The question facing the new Yukon government and Kaska Nation is: *"Can we work together to open up the southeast Yukon for responsible resource development that will benefit Kaska Nation citizens and non-aboriginal Yukoners alike?"*

Can we meet this challenge by working outside the constraints of the land claim process or the judicial process? The Yukon government is here today to tell the Kaska Nation leadership and this conference that we are certainly going to try and this offer is being extended to all Yukon First Nations.

If we are successful in reaching an agreement in southeast Yukon where land claims remain outstanding, the task should be made that much easier in reaching agreements with the other Yukon First Nations that have land claims agreements or are in the ratification process.

We call this collaborative process building **"Team Yukon"** and we are excited about meeting this challenge in conjunction with the 14 Yukon First Nations.

I am urging the oil & gas industry to keep in touch with us because we are committed to have an agreement with the Kaska Nation in less than six months.

I want to conclude by saying a few words about pipelines and our good friends and neighbours to the east in the Northwest Territories.

Our party and previous Yukon Party governments have always taken the position that the Alaska Highway natural gas pipeline together with a Dempster Lateral pipeline is the best way to transport Alaskan and Canadian natural gas to markets in the south.

Our new government still supports this “**Yukon First**” option and we believe that the new governor of Alaska, another Yukon friend, will also support the Alaska Highway route.

At the same time, we understand and appreciate the position of Premier Kakfwi and the government of the Northwest Territories, which favour a Mackenzie Valley route. We’d be surprised if they didn’t fight to get the Mackenzie Valley route as the preferred route and commend them for their initiatives. We also recognize the fact that the industry itself, which is going to pay for the pipeline, is going to be the primary decision-maker on which route is finally selected and when it will be built.

My government stands ready to go to work with industry and the First Nation governments once the choice has been made. I will be meeting with Premier Kakfwi and his delegation at this conference. It will be the first step towards developing a cooperative relationship with the Government of the Northwest Territories. We believe competition is healthy and should not harm the good relations that have traditionally existed between the people of the Yukon and the NWT.

Whatever pipeline route is ultimately selected, we want to sit down with the Government of the Northwest Territories and work out reciprocal sharing arrangements. We want to ensure that Yukon natural gas in the Eagle Plains area and other potential fields in northern Yukon are not stranded.

We would like to see Yukon residents and residents of the NWT receive the same access to employment, training and business opportunities arising from the construction of the pipeline whether it be the Alaska Highway/Dempster Lateral route or the Mackenzie Valley route.

“Sharing” has always been the tradition in the north. It is the way of First Nations, and all the people of the north are now steeped in this tradition.

Another important issue to us the Northern Pipeline Agency. Our government has just been advised that Dr. Robert Skinner has been appointed to the position of Administrator of the Northern Pipeline Agency replacing Mr. Ken Vollman.

The Minister for International Trade, the Honourable Pierre Pettigrew, noted in his letter that this appointment does not reflect anticipated decisions by industry or a shift in Canada’s route neutral position with respect to a natural gas pipeline from Alaska. We thank the Honourable Minister for his assurance about the Government of Canada remaining route neutral.

We also note that Dr. Skinner is to be situated in the office of the National Energy Board in Calgary. In view of the fact that Edmonton borrowed “**Klondike Days**” from the Yukon and in the interest of reciprocity and fair play, we believe the Province of Alberta wouldn’t mind if we consider the NEB office in Calgary with the new NPA Administrator to be part of the Yukon. Please keep this in-house and don’t tell Premier Klein.

Once again, I thank all the organizers of **Resource Expo 2002** for giving me this opportunity to speak to you today and I wish all the delegates every success in their deliberations.