



JUL 1 9 1996

The Honourable Ronald A. Irwin
Minister
Indian Affairs and Northern Development
HOUSE OF COMMONS
OTTAWA ON K1A OA6

The Honourable Sergio Marchi Minister of Environment HOUSE OF COMMONS OTTAWA ON K1A OA6

Dear Ministers:

I am writing to provide you with the Government of the Northwest Territories' (GNWT) response to the federal Environmental Assessment Panel's report on the NWT Diamonds Project.

The GNWT concurs with the Panel's overall recommendation for federal approval. Please see the attachment to this letter for our detailed comments on the Panel's specific recommendations.

The proposed Project is critical to the economic well being of the Northwest Territories, and will contribute effectively to this government's strategic priority of improving our economy. We agree with the Panel's conclusions that the environmental effects are largely predictable and mitigable, and that any effects not predicted can be detected by monitoring and addressed by the Proponent's environmental management plans. Residual concerns of the GNWT can be addressed by conditions in federal licencing, or through discussions between our governments in order to clarify approaches to implementing the Panel's recommendations.

We strongly agree with the Panel's recommendation regarding the quick and equitable settlement of outstanding land claims in the region. Settlement of the claims will, as noted by the Panel, strengthen the ability of Aboriginal peoples to participate confidently with this and other projects in the region, and to maximize long-term benefits.

The GNWT also supports the Panel's conclusions that diamond valuation procedures will need to be established for the start of full production, and that any diamond valuation facility should be located in the NWT. We would like to begin work with the federal government to put these systems into place as soon as possible.

I would like to bring to your attention several matters which go beyond the Panel's recommendations and are of interest and concern to the GNWT.

Assurance that BHP's northern and Aboriginal benefits commitments will be honoured remains a core concern to my government. While the Panel commended BHP on their socio-economic commitments, it made no recommendation on how they could be upheld. BHP has made the appropriate commitments to maximize northern employment and business benefits and we are optimistic that they will achieve their socio-economic goals. However, we must avoid the types of disappointments experienced in the past when companies, for one reason or another, failed to meet stated commitments. We recommend your government explore every option available for attaching appropriate socio-economic terms and conditions to licences and approvals for the Project. Specifically, we recommend that, as a minimum, Aboriginal preference for employment from the Project, and the designation of Yellowknife as the point of hire, be included in the licencing conditions.

In addition, my officials will be meeting with representatives from BHP to discuss negotiation of a formal agreement which would reflect and affirm the key socio-economic commitments the company has made to date, in addition to supportive commitments from the GNWT. We agree with the Panel that achievement of substantial northern benefits is not entirely the responsibility of BHP, and that government and Aboriginal organizations have an important role to play. We see this agreement as an embodiment of the partnership approach that the Panel recommended to achieve northern benefits, and trust that the federal government will support us on this initiative.

It may, in fact, make even greater sense to develop a formal agreement, which in addition to the GNWT and BHP, would also include the Government of Canada as a signatory.

The intent of this formal agreement will be to complement, not conflict with Impact and Benefit Agreements (IBA's) negotiated with Aboriginal people. IBA's are critical to the achievement of Aboriginal benefits, and the GNWT agrees with the Panel's recommendation on their timely negotiation and conclusion.

Indeed our support for the Project assumes that BHP will continue, in good faith, their efforts to negotiate IBA's, and that the positions taken by Aboriginal organizations are reasonable and generally compatible with Canadian precedents and/or with provisions on benefits agreements established in existing comprehensive land claim agreements.

We agree with the Panel's emphasis on effective monitoring programs to ensure that there are no unanticipated negative environmental impacts. Some effects will extend beyond BHP's claim block. A separate management structure and funding arrangement will therefore be needed to coordinate a comprehensive monitoring program. The development and implementation of the management structure and monitoring procedures should be the subject of discussion between our governments.

The GNWT would also like to ensure that our governments are protected from the risk of assuming costs of reclamation, abandonment and post-abandonment monitoring. We are concerned about the Panel's conclusion that a security deposit, as may be required by the NWT Water Board, would be sufficient to cover all elements of the site clean-up and abandonment in case of default. The projected mine life is at least twenty-five years, and we cannot anticipate the capability of BHP or any subsequent owner to reclaim the site. Accordingly, we recommend that DIAND seek additional options to ensure that there is no risk to government of liability for any aspect of reclamation not covered by a security deposit under the NWT Waters Act. The options should be negotiated with BHP and should recognize the company's need to have flexibility in arranging finances, but be acceptable to both the federal government and the GNWT.

Finally, I would like to highlight the following observation by the Panel with respect to financial costs and benefits to the GNWT:

"It does not seem reasonable that the GNWT should bear the potential financial burden with respect to the effects of development on social services and education, yet under current fiscal arrangements receives no incremental revenue from mineral development" (p 57).

Our view is that the Panel's comments have expressed, in clear terms, the essence of GNWT concerns regarding the insufficient nature of current arrangements on GNWT access to resource revenues. While the BHP Project will generate healthy economic activity, it will also result in significant costs in a broad range of areas (ie; policing, education, health and social services), within the mandate of the GNWT. Clearly this is a major issue and one which requires timely and focused attention.

The GNWT feels that devolution is the best mechanism for achieving an equitable revenue sharing arrangement. We welcome the recent re-affirmation of Minister Irwin's commitment to proceed with comprehensive devolution, and expect that a transfer arrangement can be finalized before BHP's diamond mine goes into full production. I will want to discuss this with you in further detail in the coming days.

I understand that the federal government's response to the Environmental Review Panel's report will be considered by a committee of Cabinet in early August, and I am asking you both to take our position and comments forward to your Cabinet colleagues. In this regard, the Honourable Stephen Kakfwi, Minister of Renewable Resources and of Energy, Mines and Petroleum Resources, and I, would like to meet with each of you at your earliest convenience, and prior to Cabinet consideration of the matter, to discuss our response to the report. In the meantime, thank you for your consideration of our position on this important Project.

Sincerely.

Don Morin Premier

c: Members of the Legislative Assembly of the Northwest Territories

Attachment

GOVERNMENT OF THE NORTHWEST TERRITORIES RESPONSE TO THE ENVIRONMENTAL ASSESSMENT PANEL REPORT ON THE NWT DIAMONDS PROJECT

INTRODUCTION

The Government of the Northwest Territories (GNWT) has been an active participant throughout the environmental assessment and review of the NWT Diamonds Project. Government officials attended the public scoping meetings in March and April, 1995 and community sessions of the public hearings in January and February, 1996 to hear the thoughts and concerns of NWT residents. The GNWT made presentations at the general session and the traditional knowledge, environmental management plans, water, wildlife and socioeconomic technical sessions. At the public hearings, the GNWT stated that its final position on the NWT Diamonds Project would be provided once the Panel's report and recommendations were made public.

Although the GNWT does not presently have statutory authority over the licencing of the NWT Diamonds Project and can not stipulate the conditions under which it would be approved, we appreciate the opportunity to provide input to the federal government on the approval and conditions for approval of the project.

SUMMARY OF GNWT POSITION

- The GNWT concurs with the Panel's overall recommendation that the Government of Canada approve the NWT Diamonds Project.
- The GNWT concurs with the Panel's conclusion that the environmental effects of the project are largely predictable and mitigable. Those effects not predicted can be detected by monitoring and addressed by the proponent's proposed environmental management plans.
- The GNWT recommends that, at a minimum, Aboriginal preference for employment and the designation of Yellowknife as the point of hire be included as conditions in the licencing of the NWT Diamonds Project.

- GNWT support for the NWT Diamonds Project assumes that BHP will continue in good faith their efforts to negotiate IBA's, and that the positions taken by Aboriginal organizations are reasonable and generally compatible with Canadian precedents or provisions on benefits agreements established in existing comprehensive land claim agreements.
- The GNWT agrees with the Panel's emphasis on effective environmental monitoring programs and recommends a separate management structure for monitoring effects which extend beyond the claims block.
- The GNWT recommends that DIAND examine additional options to ensure that there is no risk to government of liability for any aspect of reclamation.
- The GNWT will seek a formal agreement with BHP which would reflect and affirm the key socioeconomic commitments of the company.

RESPONSE TO THE SPECIFIC RECOMMENDATIONS

This section provides responses to the specific recommendations contained in the Panel's report. The recommendations appear in bold italics, using the numbering system from the report. Responses to the recommendations follow a standard format where the GNWT either:

- a) Agrees with the recommendation;
- b) Agrees with the recommendation on the condition that it be modified according to a described manner; or
- c) Disagrees with the recommendation.

Recommendation 1

The Panel recommends that:

a) The Government of Canada and Aboriginal peoples work toward a quick and equitable settlement of outstanding land claims in the region;

The Government of the Northwest Territories agrees with the recommendation. The GNWT supports the timely and equitable settlement of land claims to ensure that long term benefits are maximized by the Aboriginal peoples who have traditionally used this area.

b) The Government of Canada clarify, for all parties, the status of lands under exploration in areas where land claims have not been settled, and define when lands are considered to be at a stage of advanced exploration and the effect of this on their availability for selection by an Aboriginal claimant group; and,

The GNWT agrees with the recommendation.

c) The Government of Canada examine the processes and policies in place in the region to ensure that they are the most appropriate for resolving the outstanding land claims with Aboriginal peoples.

The Government of the Northwest Territories agrees in principle with the recommendation and notes that the processes used in claims negotiations are agreed upon by all parties in a protocol or framework agreement. For example, the Dogribs are involved in an interest-based negotiations process which is supported by all parties.

The Indian Claims Commission may provide an opportunity to use alternative dispute resolution techniques to resolve contentious issues.

The Government of the Northwest Territories disagrees with the suggestion that the Indian Claims Commission be considered for resolving disputes. The Indian Claims Commission has been used in the Treaty 8 Land Entitlement negotiations with little success to date. The GNWT recommends that the processes for dispute resolution should be negotiated by all parties at the negotiating table.

Recommendation 2

The Panel recommends that the Government of Canada develop a policy on the inclusion of traditional knowledge in environmental assessment. This policy should be developed in consultation and collaboration with the GNWT, Aboriginal peoples and industry. The most immediate need is to set out guidelines and standards for traditional knowledge that developers are expected to meet when preparing environmental assessments. Moreover, the role and responsibility of government in this area needs to be defined.

The Government of the Northwest Territories agrees with the recommendation and, if the Government of Canada pursues the recommendation, will provide assistance in the development of a policy.

The Panel recommends that DIAND should have regard for the following principles when developing new legislation and management structures resulting from land claims settlements: projects must be managed with consistency, integrity and continuity; effective consultation with the public and Aboriginal peoples is essential; and regional land-use planning must be undertaken to ensure that a broad perspective is considered in decision-making.

The Government of the Northwest Territories agrees with the recommendation and notes that land use planning boards created through the settlement of land claims are responsible for regional land use planning.

Recommendation 4

The Panel recommends that the Government of Canada approve the NWT Diamonds Project subject to the recommendations in this report.

The Government of the Northwest Territories agrees with the recommendation. The GNWT's comments on the specific recommendations are offered as points of clarification and to provide suggestions.

Recommendation 5

The Panel recommends that, as a condition of approval, BHP should be required to submit to government annual reports on the results of its environmental and socio-economic monitoring programs. The reports should be made public and should be presented at a public meeting (or meetings) held in the region and organized by BHP and government.

The Government of the Northwest Territories agrees with the recommendation. The public meetings will be a more effective forum, than simply producing and distributing written reports, for providing information to NWT residents. The public meetings should be organized by BHP.

The GNWT suggests that in addition to the annual reports on environmental and socioeconomic monitoring that initially BHP make data on socioeconomic initiatives available at mid-year in order to better address any short-falls in these programs.

The Panel recommends that periodically (for example, every three to five years) BHP prepare a report that would:

- a) Take a longer term view of effects monitoring in the context of natural variability;
- b) Review actual performance of Project activities as compared to predictions in the EIS; and,
- c) Evaluate how the adaptive management strategy has performed over time.

This report should be made public and should be presented at a public meeting (or meetings) held in the region and organized by BHP and government.

The Government of the Northwest Territories agrees with the recommendation. Given natural variability in the low arctic ecosystem of the Lac de Gras region, environmental effects associated with the NWT Diamonds Project may not become apparent for many years. A long term approach to environmental effects monitoring and reporting would be the most effective approach. In addition, data on the performance of the tailings impoundment should form an important component of the reports. The public meetings should be organized by BHP for the purpose of presenting the results to the public.

The GNWT places a high priority on effective monitoring of environmental effects and agrees with the Panel's conclusion that environmental effects monitoring is the responsibility of BHP within the area affected by the project. However, some of these environmental effects will extend beyond the proponent's claim block. This is particularly true for migratory wildlife species. Since government, industry, Aboriginal organizations and traditional land users all have a role to play in environmental effects monitoring, a separate management structure and funding arrangement should be established to coordinate a comprehensive environmental effects monitoring program.

Recommendation 7

The Panel recommends that BHP, government agencies and Aboriginal people work together during the Project design and implementation stages to revise and update environmental management plans as required.

The Government of the Northwest Territories agrees with the recommendation. During the public hearings, the GNWT expressed concern about the lack of detail in the mitigation measures proposed in the proponent's environmental management plans. The GNWT is prepared to review the proponent's environmental management plans throughout the various stages of this development and recommend mitigative measures to ensure that the environmental effects of the project are minimized.

The Panel recommends that the information it received concerning the design, construction and monitoring of the Long Lake tailings impoundment be taken into account by DIAND and the Water Board at the water-licensing stage.

The Government of the Northwest Territories agrees with the recommendation and suggests that, along with information on the design, construction and monitoring of the tailings impoundment, DIAND and the Water Board also consider information on the planned operation of the impoundment which was received by the Panel during the public hearings.

Recommendation 9

The Panel recommends that BHP be required to submit a detailed spill contingency plan for fuel haulage to Environment Canada, DIAND and the GNWT for approval prior to commencement of the 1997 fuel haul. As part of this plan, the Proponent, its suppliers and its contractors should confirm that each has the capacity, through insurance or other instruments, to meet the full potential liability should a spill occur on the Echo Bay winter road or on public highways.

The Government of the Northwest Territories agrees with the recommendation and suggests that both BHP and its contractors be required to submit spill contingency plans which cover all hazardous substances including fuel. This will ensure that contractors, who represent the first individuals to respond to spills, are adequately prepared. In addition, this will ensure operators are capable of responding to spills of all hazardous materials, not just fuel spills.

The authority to require operators to submit spill contingency plans for hazardous materials transported in the Northwest Territories comes under Section 15 of the Territorial Government's *Transportation of Dangerous Goods Act* (1980). In addition, Section 16 provides authority to the Minister of Transportation to require operators to purchase insurance to meet liabilities associated with a potential spill.

Recommendation 10

The Panel recommends that the Government of Canada make the necessary amendments to the Criminal Code to provide a secure environment for the diamond-mining industry prior to the start of full production.

The Government of the Northwest Territories agrees with the recommendation.

The Panel recommends that an air quality monitoring program be developed jointly by BHP, Environment Canada, the GNWT and DIAND.

The Government of the Northwest Territories agrees with the recommendation and is of the view that monitoring of air quality and emissions on the claims block is the responsibility of BHP. Regional air quality issues should be coordinated by Environment Canada, the GNWT and DIAND.

Recommendation 12

The Panel recommends that the water licencing process take into account water quality issues raised during this review including, but not limited to, integrity of frozen core dams, slow settling of suspended particulates, acid generation from waste rock, kimberlite toxicity, nitrogen contamination of waste rock and location of monitoring stations.

The Government of the Northwest Territories agrees with the recommendation. Agencies such as the federal Departments of Environment and Fisheries and Oceans also have authority in this area.

Recommendation 13

The Panel recommends that:

- a) cash compensation for the loss of fish habitat should be considered by DFO only when there are no viable options to avoid the loss of habitat or to re-create the lost habitat;
- b) DFO develop a fair, realistic and transparent approach to the calculation of compensation for loss of fish habitat:
- c) DFO settle compensation with BHP as quickly as feasible, reflecting the principles described in b) above;
- d) if it is decided to proceed with the proposed Habitat Management Fund, an effective public consultation program including Aboriginal peoples be undertaken by DFO as soon as possible to identify projects that would be most appropriate; and,
- e) the results of projects paid for by this fund be carefully monitored to ensure that the objective of habitat enhancement is achieved.

The Government of the Northwest Territories agrees with the recommendation and suggests that compensation funds, derived from NWT industrial developments, be utilized only for NWT habitat management projects.

The Panel recommends that BHP be required to submit a detailed caribou monitoring and management plan for review and approval by DIAND and the GNWT prior to the commencement of mining.

The Government of the Northwest Territories agrees with the recommendation. Given the importance of caribou to the residents of the Northwest Territories and the amount of public concern raised during the public hearings, the GNWT believes that a detailed caribou monitoring and management plan is an important component of project development. The GNWT is prepared to review the plan and approve, if satisfactory.

Recommendation 15

The Panel recommends that governments consider establishment of a Bathurst caribou management board. Such a board would provide a focal point for multi-party input to the monitoring and management of this herd.

The Government of the Northwest Territories agrees with the recommendation. The GNWT supports the development of a management plan for the Bathurst caribou herd and the involvement of all stakeholders in the process. It will be important to determine the most cost-effective and efficient option for addressing this issue. Co-management renewable resource boards have been established in the Sahtu and Nunavut, as well, wildlife and environment committees have been established for other areas in the region (e.g. Dogrib Renewable Resources Committee). The mandate and function of these bodies should not be duplicated. The Government of the Northwest Territories is sponsoring a stakeholder workshop in August, 1996 with the intention of identifying an appropriate process for developing and implementing a Bathurst Caribou Management Plan.

Recommendation 16

The Panel recommends that BHP should continue bird surveys until sufficient information has been gathered to refine the impact prediction. Requirements for baseline information collection and for monitoring should be defined in consultation with government agencies.

The Government of the Northwest Territories agrees with the recommendation. This is consistent with the GNWT's conclusion that additional baseline data is required over several years to complete an adequate assessment of the potential effects of the project on birds. The GNWT will continue to assist the proponent in developing appropriate mitigation measures and monitoring programs for birds.

The Panel recommends that all parties set the timely negotiation, conclusion and implementation of impact and Benefits Agreements as a priority. The Panel also encourages BHP and Aboriginal people to conclude the agreements before the operational phase of the Project begins.

The Government of the Northwest Territories agrees with the recommendation. The agreements should be concluded before the operational phase of the project begins. The GNWT notes that impact and benefits agreements are private contracts. Governments have not been involved in the negotiation of the agreements other than to provide funding for affected Aboriginal groups to acquire expertise for the purpose of negotiating with the proponent. The GNWT's continued support for the project will be conditional on the proponent following through on their commitment to negotiate any remaining IBA's.

Recommendation 18

The Panel recommends that the Government of Canada require BHP to report on progress on northern and Aboriginal employment as part of the annual monitoring report previously recommended.

The Government of the Northwest Territories agrees with the recommendation. This will be important to evaluating the success of the proponent's commitment and efforts to maximize benefits for northern residents and businesses.

Recommendation 19

The Panel recommends that BHP include as criteria for the selection of contractors the fairness and adequacy of wages paid to the contractor's employees, as well as the contractor's policy and record on northern and Aboriginal hiring.

The Government of the Northwest Territories agrees with the recommendation. This is consistent with the government's policy that development in the Northwest Territories should provide benefits to northern residents and businesses.

The Panel recommends that government ensure that financial programs continue to be available to northern and Aboriginal businesses so that they are able to take full advantage of the opportunities presented by the NWT Diamonds Project.

The Government of the Northwest Territories agrees with the recommendation and wishes to emphasize the need for BHP to work with northern and Aboriginal businesses towards ensuring northern benefits are maximized. BHP should continue to develop practices (such as the unbundling of contracts, the opening of communication lines with northern businesses and communities, transportation and hiring assistance) that enable Aboriginal and northern residents to take full advantage of opportunities generated by the NWT Diamonds Project.

Recommendation 21

The Panel recommends that BHP and the GNWT meet periodically to review the results of monitoring of socio-economic conditions and trends, and of monitoring of Project activities.

The Government of the Northwest Territories agrees with the recommendation. As part of the Community Wellness Strategy, the GNWT is committed to gathering data on indicators of community wellness. BHP has demonstrated in its Environmental Impact Statement that it has an understanding of the socioeconomic setting in communities affected by the project. Close collaboration between BHP and the GNWT will result in a more thorough examination of the socioeconomic conditions in the affected communities during the life of the project. Socioeconomic monitoring can be used to assist communities in identifying negative impacts that may arise from the project.

Recommendation 22

The Panel recommends that the Government of Canada and the GNWT undertake work to define the need for information on the socio-economic effects of development in the region and to develop a framework for analysis. The Panel proposes that the WKSS accept collection of regional socio-economic baseline information as a priority to meet the needs of this analysis.

The Government of the Northwest Territories agrees with the recommendation. The GNWT recognizes the importance of monitoring and responding to the socioeconomic effects of the project in partnership with BHP and the affected communities. The GNWT identified indicators as a measure of community wellness to assess the impacts of the project. The indicators utilize data already collected by various territorial and federal departments.

The GNWT is prepared to work with the Government of Canada to assess the need for more information on the socioeconomic effects of development in the region based on the work of previous studies which analysed the socioeconomic effects of development. However, given fiscal restraint measures, the GNWT may be limited in the amount of additional studies it can fund in this area. The GNWT has committed funds to the West Kitikmeot/Slave Study (WKSS) which is intended to collect environmental and socioeconomic baseline data for the West Kitikmeot/Slave area. Socioeconomic baseline data is one of four priorities of the WKSS.

Recommendation 23

The Panel recommends that consultation by BHP with Aboriginal groups continue over the life of the Project and as new areas are explored and developed in order to incorporate traditional knowledge with the archaeological surveys. The archaeological surveys of new sites must be done to the highest standards of the day and must respect places of significance to Aboriginal people. The Panel appreciates the sensitivity of Aboriginal peoples regarding the burial places of their ancestors and the connection of this to land claims issues, and recommends that Aboriginal groups work co-operatively with BHP to ensure that burial sites in the Project area are identified and protected.

The Government of the Northwest Territories agrees with the recommendation. As the agency responsible for archaeological permitting in the NWT, the GNWT looks forward to working with BHP and Aboriginal organizations to ensure that future work on the property continues to meet the high standards of research conducted to date.

Recommendation 24

The Panel recommends that BHP consult with the Aboriginal groups who use the area and with the responsible agencies to develop an acceptable fishing policy.

The Government of the Northwest Territories agrees with the recommendation.

Recommendation 25

The Panel recommends that BHP establish a consultation process with communities to explain its firearm and fishing policies, to describe the relationship between its policies and people's ability to hunt and fish on the claims block, and to resolve any misunderstandings on these issues.

The Government of the Northwest Territories agrees with the recommendation.

The Panel recommends that the Government of Canada make BHP's compensation policy a condition of approval for the Project. In addition, the compensation policy should set out firm procedures for seeing disputes through to resolution. The Panel also recommends that the Government of Canada ensure that land-users have access to resources to pursue compensation claims.

The Government of the Northwest Territories agrees with the recommendation.

Recommendation 27

The Panel recommends that DIAND work closely with the GNWT to develop an enforceable compensation policy that addresses the issues of burden of proof, access to resources and means to ensure resolution, in relation to future development in this region. Once developed, the compensation policy should also be applied to this Project.

The Government of the Northwest Territories agrees with the recommendation and is prepared to work cooperatively with DIAND in the development of this policy. The GNWT would also be prepared to administer the policy.

Recommendation 28

The Panel recommends that the Government of Canada develop administrative procedures for diamond valuation and ensure that these are in place prior to the start of full production. These procedures should be developed in consultation with the GNWT and BHP.

The Government of the Northwest Territories agrees with the recommendation. The two levels of government should work towards the establishment of a diamond valuation facility in the Northwest Territories at a neutral site in order to: a) make the service available to other potential diamond mines in the Northwest Territories; and b) help maximize northern benefits.

Recommendation 29

The Panel recommends that the West Kitikmeot Slave Study:

a) develop a regional approach to the collection of traditional knowledge;

The Government of the Northwest Territories agrees with the recommendation. The West Kitikmeot/Slave Study (WKSS) is a regional study. One of the objectives of the study is to support a central role for both traditional knowledge and scientific knowledge, and facilitate the linkage of research carried out in these areas.

The WKSS has established a Traditional Knowledge Steering Committee and developed a set of guidelines for traditional knowledge research. However, the Traditional Knowledge Steering Committee has agreed that traditional knowledge research must be controlled at the community level and that research priorities will vary from community to community.

b) work together with BHP, the federal government and the GNWT on a co-operative approach to environmental effects monitoring for the region;

The Government of the Northwest Territories disagrees with the recommendation. The goal of the WKSS is to collect environmental and socioeconomic information for the West Kitikmeot/Slave area to assist decision making and to facilitate sustainable development. The development of an approach to environmental effects monitoring for the region falls outside of the study's terms of reference. The information generated by the study will provide a basis for the identification and assessment of cumulative effects and will enhance the understanding of potential impacts of exploration and development on ecological processes and communities.

c) collect regional baseline information on eskers and other glaciofluvial deposits, in order to provide a basis for development of guidelines and cumulative effects assessment by government;

The Government of the Northwest Territories agrees with the recommendation. The WKSS has identified eskers as a research topic of importance and has approved a study on the location, physical characteristics and traditional use of eskers in the Contwoyto Lake area, and their extent and use as wolf habitat in the southern tundra portion of the WKSS area.

d) provide a forum to co-ordinate collection of baseline information on caribou;

The Government of the Northwest Territories agrees with the recommendation and notes that the responsibility for the management of caribou rests with the GNWT Department of Renewable Resources. The WKSS has identified caribou as a research topic of importance and has approved four studies on the Bathurst caribou: a seasonal movement study; a behavioral study in relation to mine sites and reaction to various types of barriers; a calving ground study; and a Dogrib traditional knowledge study on caribou.

e) accept the regional grizzly bear study as a major component of its program;

The Government of the Northwest Territories agrees with the recommendation. The WKSS has identified grizzly bears as a research topic of importance and has approved the regional grizzly bear study as part of the WKSS.

f) develop baseline information that will be required to identify areas for protected area status;

The Government of the Northwest Territories agrees with the recommendation. The WKSS has identified habitat, including the identification of critical habitats and protected areas, as a research topic of importance.

g) accept the collection of regional socio-economic baseline information as a priority; and,

The Government of the Northwest Territories agrees with the recommendation but notes that the WKSS has four priority research areas, one of which is socioeconomic research. The partners are in the process of defining specific socioeconomic studies which will address the needs of communities while complementing ongoing socioeconomic monitoring by government.

h) ensure that its study program is designed to provide the information needed for cumulative effects assessment of future development in the region.

The Government of the Northwest Territories agrees with the recommendation. One of the objectives of the WKSS is to provide a basis for the identification and assessment of cumulative effects for planning and development purposes.

Should the WKSS decide not to adopt these initiatives, then responsibility should fall to government to ensure that these issues are addressed.

The Government of the Northwest Territories notes that, due to ongoing fiscal restraint, the territorial government may be limited in the number and scope of programs it can fund in the future. This may be particularly true in regard to mining development because, as the Panel stated in their report, the GNWT will receive limited revenue from the project.