

Hon. Bob McLeod

Minister – Industry, Tourism and Investment

Energy Council Remarks

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Premier Bob McLeod

Thank you for that generous introduction, [NAME OF EMCEE]. Good afternoon ladies and gentlemen, I appreciate your attention this afternoon as we talk about economic leadership in the Arctic Region — a region of increasing interest and importance for the energy sector.

I would like to offer my gratitude to The Energy Council for hosting the conference this week. The programming thus far has been extraordinarily engaging and informative. I look forward to further events as the weekend continues to unfold.

I would also like to extend thanks to the Interstate Oil and Gas Compact Commission and Pacific Northwest Economic Region for their tireless preparation for this conference, and their advocacy and education initiatives helping to forward the conversation on North American energy issues.

In Canada's Northwest Territories, the sun is returning these days from its long slumber. Those of us who call the Arctic home are profoundly aware of the cyclical nature of darkness and light. Just as winter brings 24 hours of darkness, the summer brings the midnight sun. We in the Arctic instinctively anticipate a brighter future when things are difficult and dark; it speaks to the resilience of our spirit.

It is this spirit that will carry us through the darkness that is our commodities slump. It is this resilience that will help us emerge into a stronger, brighter economy on the upswing. And it is the strength of will inherent in these attributes that will push us to complete the necessary preparations between the solstices of our commodities cycle.

Our Northwest Territories are a vast, isolated, mostly untouched land of over 500 thousand square miles stretching east, west, and north to Canada's Arctic Coast. Over this vast land we have a population of close to 45,000 — what many would consider a small town. And stretched across the area is an astonishing level of unrealized natural resource potential.

Ours is one of the world's last stable, relatively untapped regions of abundant mineral and petroleum resources; one of the frontiers of development and exploration. Billions of barrels of estimated oil reserves and trillions of cubic feet of known natural gas lay waiting beneath our sea and soil. Even more remains undiscovered. This rich resource base offers incredible opportunities for economic growth and a competitive advantage in a world demanding new energy sources.

In the Arctic, we face challenges in unlocking this potential. Our extreme weather presents challenges for industry. Costs are higher for those doing business here. Our region's infrastructure deficits and long distance from resource markets render our resources stranded. And, perhaps most challenging of all, our massive land mass and small population means we are unable to realize key strategic projects on our own.

Our biggest opportunities for success in the Arctic lie in leading and addressing these challenges head on. Shared multi-use corridors — including roads, pipelines, transmission lines, and fibre-optic networks — can link and transport our people, resources, power and information. Ports along our shared coast can open our Arctic to shipping and resource development; beefing up security and spill response capability in the process. We can leverage the ingenuity in our societies by investing in research and development for safer, more effective, and more efficient means to advance responsible Northern development. We can bring the next big innovation to the energy landscape.

But we also know that traditional solutions don't always work for the Arctic, so how can we achieve these lofty ambitions? We achieve it with creativity, investment, and especially, collaboration; unique solutions made by — and expressly for — the Arctic. Northerners – from Alaska through to Nunavut – need to have a meaningful role in the decisions and the solutions.

Devolution may be a new term to many of you here, but it represents one of the biggest political developments the Northwest Territories has seen in my lifetime.

Devolution, which came into effect on April 1, 2014, has seen the transfer of power and control over the Northwest Territories' public land, resources and water from the Government of Canada to my government. For all my life, decisions about the Northwest Territories and its resources – what gets developed and what doesn't, when it gets developed – have been made by a different level of government located thousands of miles away.

Now with devolution, I am pleased to say that that will no longer be the case.

Northerners know our land and its resources better than anybody and have a direct interest in seeing good decisions made about it. We want to benefit from the managed development of northern resources. Giving Northerners greater responsibilities and a greater voice in decision making can't help but lead to better, faster decisions about how we manage our land, resources and water.

As Northerners we are better positioned to make decisions that have the best interests of the Northwest Territories and its residents at heart than officials in Ottawa. Northern development is not just another file in an already full agenda for us, it is a primary focus. We can deliver our sustained, undivided attention to development in a way that ensures projects get reviewed quickly and thoroughly.

As a smaller jurisdiction we are able to be more responsive to our constituents and more nimble in our decision making, eliminating much of the confusion and uncertainty that has marked development in past years.

This can't help but lead to better, faster decisions about development, and that is in the interests of our residents and industry both.

A unique feature of this Devolution agreement – and of governance in the Northwest Territories – is the opportunity for the Government of the Northwest Territories and regional Aboriginal governments to work more closely together.

We have a diverse territory, ladies and gentlemen, where partnership and consensus are the order of the day. Half our population is Aboriginal, and Aboriginal and non-Aboriginal people make decisions together – be it at the mine site, in the hospital, or in the Legislative Assembly. We have 11 official languages and seven regional Aboriginal governments with rights and jurisdictions entrenched in the Canadian Constitution.

Five of those regional Aboriginal governments are our partners in devolution and signed the agreement with us. These are Aboriginal governments that see the benefits of development for themselves and their members. Devolution gives them a meaningful opportunity to participate in both the decision making and the economic benefits that will flow from development in their regions.

In fact, our government is so committed to ensuring that all residents of the territory benefit from the development of Northwest Territories natural resources, we have decided to share up to a quarter of our resource revenues with participating Aboriginal governments. This is money shared with them with no strings or requirements that they can put to use investing in their own people and their own regions.

In a time when major projects are facing the challenge of securing social license, particularly in areas where Aboriginal people have asserted rights, the Government of the Northwest Territories is leading the way in engagement and relationship building. We think our approach, which is built on principles of respect, recognition and responsibility, represents a new paradigm that we think can be applied outside the territory as well.

The success of our approach can be easily seen. Aboriginal people in the Northwest Territories are full participants in our economy. Aboriginal-owned businesses have received more than \$4.3 billion in direct contracting with the Northwest Territories three diamond mines since 1996. Over the same time frame, more than 9,400 person years of employment have been generated through the mines in the same period.

Aboriginal business offer engineering, general contracting, transportation and oilfield services. They operate trucking companies, airlines and helicopter companies. They supply vehicles and heavy equipment and have specialized expertise in areas like all-weather and ice road construction that are so vital to supporting economic development in our territory.

We are the leaders in Aboriginal participation. Greater participation in the natural resource industries, greater trust between the public and Aboriginal governments, and millions of dollars in revenue shared with these Aboriginal governments for investment in the betterment of all our peoples. It may be small, but it's an important concept. Cooperation is the strongest tool we can put to work in our quest for strong, progressive leadership in economic development and environmental management in the Arctic.

Northerners have the capacity to come together with big ideas to tackle the most important issues of our time. We have the smarts and the passion to make wise investments in breakthrough research. This is particularly true for Canada's three northern territories and Alaska. Our shared geography, languages, and culture bring many shared interests and priorities. We all want market access, infrastructure, and shipping capabilities for our resource industries. We also understand and value the need to balance these items with environmental protection, climate change adaptation, traditional livelihoods, safety, and security. As Northern neighbors, why not look to each

other to achieve our common goals? Why not find mutually beneficial projects to invest in together?

It is on us to work towards these goals, and the time to act is now. Collective leadership is our way forward; the challenges of the Arctic are too costly and complex for any one of our jurisdictions to address alone. We must pursue partnerships and collaboration in the Arctic to advance the development of energy resources from the coast of Alaska to the reaches of Nunavut. Global economics are changing. The eyes of the market are turning to the Arctic. By meeting expanding world demand with our resource supply, by connecting shared or foreign investment capital with capital infrastructure requirements, and by harnessing our shared transportation and trade corridor opportunities – we will lead and benefit together from the advancement of energy development in the great northern expanse of the Pacific Northwest Economic Region.

Our goal must be to work together so we're ready to capitalize on these bountiful opportunities as commodity prices emerge from the darkness, and we are awash in the glow of the Midnight Sun once again.

Thank you, ladies and gentlemen. Please enjoy the rest of the proceedings this weekend.