

15th Legislative Assembly

Fifth Session

February 7-22 & March 5-12, 2007

Third Sitting / Budget Session

FEB 20, 2007

Mackenzie Gas Project Socio-Economic Agreement

MR. RAMSAY: Thank you, Mr. Speaker. I want to speak today regarding the Mackenzie gas project socio-economic agreement, the agreement that was signed last month between the Government of the Northwest Territories and the pipeline proponents.

Mr. Speaker, I have said it before in this House and I will state it again today for the record that I remain in favour of the Mackenzie gas project going ahead. However, I do have some major concerns over how the socio-economic agreement was developed and why it is missing some very key elements.

The public was left out of the development of the document. There was no public opportunity to comment on the document. And also, the document was developed and signed in secret. Most troublesome for me is the fact that there is no link in the document for a long-term vision of this territory.

The Government of the Northwest Territories had no trouble issuing the so-called letter of comfort to the proponents saying that they would be able to operate in a stable tax environment here in the Northwest Territories. Why is there no support shown by the proponents in the socio-economic agreement towards the Northwest Territories' 20-year battle with the federal government over resource revenue sharing and devolution? As a government, why didn't we get or demand this support.

The proponents don't care which government they pay their royalties to, Mr. Speaker. This pipeline is not being built in the Ottawa Valley, it's being built in the Mackenzie Valley, in our own backyard. If we do not have the support of the proponents, I believe we are missing a critical bargaining chip, Mr. Speaker.

Also missing from the socio-economic agreement is any mention of a trust fund or heritage fund. I've spoken numerous times about the importance of the establishment of this fund for northerners in this House and I'm very disturbed that again the government has failed to get the proponents to agree that this is an important issue for northerners.

The Government of the Northwest Territories accepts in the agreement a lackadaisical approach to monitoring the project during construction and operation. The resources provided to the board are extremely low compared to other similar monitoring bodies in the resource sector: \$200,000 per year during construction and \$75,000 per year during operation.

If you compare that to Diavik's communities advisory board at 400K per year, the Diavik environmental monitoring board at \$630,000 per year, the independent monitoring agency for BHP at \$560,000 per year, and the Snap Lake environmental monitoring agency at \$650,000 per year.

Mr. Speaker, it's alarming that after construction this NWT oil and gas socio-economic advisory board meets only three times per year during construction and only once a year during operation, with only a \$75,000 budget.

As a government, we should have negotiated a better arrangement on monitoring. And Mr. Speaker, I have to ask the question, why have we failed our residents on so many fronts, Mahsi.

--- Applause