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October 15, 2013

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トーΡング[%] Sanikiluaq Authorized Board Member National Energy Board 444 Seventh Avenue SW Calgary, T2P 0X8

RE: National Energy Board's Process update for the MKI NorthEastern Canada 2D Seismic Survey project proposal comments.

Qikiqtani Inuit Association (QIA) would like to acknowledge the National Energy Board (NEB) for the opportunity to comment on MKI, TGS NOPEC and PGS's (proponent) proposed 5-year seismic testing project in Baffin Bay and Davis Strait.

In accordance with the Nunavut Land Claim Agreement QIA represents 13 communities in the Qikiqtani region in Nunavut. The communities of Pond Inlet, Clyde River, Qikiqtarjuaq, and Iqaluit were consulted by the proponent and the National Energy Board with respect to the 2D Seismic Survey project proposal. During the proponents public meetings in the fall as well as during the National Energy Board's hearings in the in the winter of 2013, Community members in the affected communities expressed concern with this project proposal.

QIA has reviewed the following documents: 19 letters from the National Energy Board, 14 Letters of Comment from interveners and 20 correspondences from the Proponent, including the most recent response dated August 30, 2013.

QIA believes the proponent has not adequately communicated how Inuit Qaujimajatuqangit (IQ) provided by affected communities has been considered in project design. The questions and concerns being expressed by the affected communities have not been adequately addressed; the predominant concerns expressed from the communities are:

- 1) The possible short and long term effects that 5 years of seismic testing can have on marine mammals, benthic life and Inuit subsistence harvesting;
- The consultation process;
- 3) The possible benefits associated with the project and the development of a compensation plan;
- The potential for oil and gas development which would naturally follow from this type of survey.



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トーΡン Φ% Sanikiluaq QIA has written two letters to the NEB dated June 13, 2011 and May 15, 2012. QIA recognizes the proponent has made efforts to increase the communities' understanding of their project and some of the possible effects the project might have. Despite this, QIA still believes that the consultations to date have not been able to adequately address the questions, concerns and emotions that this project has brought up in the affected communities.

Consultations to Date

The consultation strategy adopted by the proponents to date has not been effective to properly address the communities' concerns and questions. A new process acceptable to the communities, Inuit organizations, the proponent and NEB must be developed. QIA appreciates the NEB's willingness to gather information at community hearings and this continued process is required to further build trust among Inuit. The communities have expressed that it is not clear to them what opportunities there are for them to express their concerns moving forward. In light of this QIA is willing to assist the proponent in developing an appropriate consultation plan.

A frequent question that comes to QIA is how do you determine what the communities' concerns and questions are and what level of consultation is required? The level of concern determines whether you include more or less community organizations and or public meetings. QIA feels that there is enough concern that consensus needs to be built before Inuit are ready to accept the project. This would include the Hamlets, Hunters and Trappers Organizations (HTOs) and Community Lands and Resources Committees (CLARCs) and any other organization the affected communities would like included, including the broader public.

Strategic Environmental Assessment for Oil and Gas Development

QIA, Nunavut Tunngavik Inc. (NTI), the Government of Nunavut and Aboriginal Affairs and Northern Development Canada's (AANDC) Oil and Gas directorate have been in discussions about a possible Strategic Environmental Assessment for Baffin Bay and Davis Strait. QIA sees this as an integral step in order to gather IQ and scientific knowledge, identify knowledge gaps and look at possible monitoring strategies acceptable to all parties.

The affected communities need to be better informed and reach a comfort level with all aspects of future oil and gas development. There is an understanding that technology and knowledge have improved since the 1960's and 1980's but Inuit experience with oil and gas extraction techniques from this time is not positive. Inuit



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トσΡユΦ[®] Sanikiluaq have expressed a desire to understand all the possible risks and potential benefits associated with oil and gas development before exploration and development starts.

QIA would also like to point out that Canada participated in the development of the Arctic Council Arctic Offshore Oil and Gas Guidelines in 2009, which speak to proper consultation techniques with affected communities and how to incorporate Traditional knowledge into all aspects of oil and gas development. QIA suggests that these guidelines be considered by the proponent.

Integration of Traditional Knowledge in project design

In their letter dated May 31st, 2013, the NEB requested that the proponent outline how IQ or traditional knowledge provided by affected Inuit have been considered in the project design. The proponent provided responses to certain questions that they deferred during community meetings but these responses did not outline how the information provided by Inuit and community members was considered in the project design. Nor did the proponent demonstrate how or if the project proposal has changed based on the traditional knowledge provided during community consultations.

The proponent contracted NEXUS to complete an assessment of the interaction of several marine mammals and the proposed seismic survey. The interaction assessment report was prepared based on scientific studies and reports. The proponent did not collect or incorporate traditional knowledge with respect to species migration routes, breeding areas or areas of concentration in the interaction assessment report. In addition, the analysis of the assessment report does not demonstrate how the data collected influenced the project design or mitigation measures but states that interactions are simply unlikely. The proponent should clearly outline, using examples, how IQ/ traditional knowledge was used or has influenced project design.

Mitigation Measures

The communities have expressed concerns with the impacts of seismic testing and potential oil and gas development on marine mammals, wildlife, subsistence harvesting and their traditional way of life, to name a few. In developing mitigation measures to address and ideally avoid these potential impacts, it is imperative to use traditional knowledge or IQ. By collecting traditional knowledge and integrating it into project design and Environmental Assessment, the resulting mitigation measures will better address community concerns and adverse impacts. An example of integration is when IQ and scientific knowledge are assessed together so that the



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operator of a vessel can determine the best timing for seismic testing in order to avoid disrupting migration routes of species important to the affected communities and Inuit.

There is concern that seismic testing could have longer term effects beyond a single season. In order to address this, QIA would like to see a long term monitoring strategy developed with Inuit and the communities, which is fully integrated into the monitoring plan and involves extensive baseline work by the proponent prior to this seismic testing taking place.

Benefits

During the community meetings, Inuit have expressed a desire to learn about the possible benefits that this project can have on their communities and region. The benefits plan proposed to date by the proponents mentions the creation of Marine Mammal Observers, a Fisheries Liaison Officer and a Community Liaison Officer.

To date, the affected communities have not seen a draft Canada Benefits Plan, nor has QIA. QIA would like to see an open and transparent process to create a Canada Benefits plan, as required under the Canada Oil and Gas Operations Act. The proponent along with the community organizations, NTI and QIA must jointly develop a benefits plan. The proponent planned a trip in May or June of 2013 to discuss the Benefits plan but we are not aware as to whether or not this meeting took place.

The communities and Inuit have expressed a lot of uncertainty about the possible impacts of this project, and have expressed that a compensation plan be negotiated before the project proceeds. QIA recommends that a process similar to that of the negotiation of an Inuit Impact and Benefits Agreement (IIBA) under the Nunavut Land Claim Agreement (see Schedule 26-1) be adopted. QIA notes that compensation for possible negative impacts is included in IIBA negotiations.

Participation of the Nunavut Impact Review Board

Communities have expressed concern with potential transboundary impacts into the Nunavut Settlement Area (NSA) from the project activities for the proposed 2D seismic testing. In order to address these concerns QIA believes it would be beneficial to involve the Nunavut Impact Review Board (NIRB) in the review process. According to the Memorandum of Understanding (MOU) signed between NIRB and NEB, the parties agreed to cooperate in their respective assessment of proposed projects, including the sharing of technical expertise and local knowledge as well as



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トーβー Δ% Sanikiluaq assisting with training and stakeholder engagement. Taking into consideration NIRB's expertise with consultation in Nunavut and their understanding of community concerns and values, QIA recommends that, as per Section 3.0 of the MOU, the NEB request advice and support from NIRB regarding the consultation process and potential transboundary impacts for the review of MKI's 2D seismic survey project proposal.

Recommendations

- 1. QIA requests that the Proponent develop a consultation plan to effectively consult with communities and address their concerns in a transparent manner.
- 2. QIA requests that the National Energy Board does not grant a geo-physical operations permit at this time. The proposed SEA is the best vehicle to address communities' concerns, and gather IQ to inform Oil and Gas development. QIA recommends that the SEA be allowed to run its course before any decision is made to allow any oil and gas related activities.
- 3. QIA requests that the proponent demonstrate how traditional knowledge and IQ were used in developing the seismic program and corresponding mitigation measures.
- 4. QIA recommends that the NEB request the support of the Nunavut Impact review Board to develop a more transparent consultation process.

Should you have any questions please direct them to Bernie MacIsaac, Director of Lands and Resources via email at bmacisaac@qia.ca or by phone at 867-975-8419.

Sincerely,

Navarana Beveridge Executive Director

Qikiqtani Inuit Association

cc. Bernard Valcourt, Minister, AANDC
Carson Gillis, Director Lands and Resources, Nunavut Tunngavik Inc.
Community Lands and Resources Committee Pond Inlet, Clyde River,
Qikiqtarjuaq, Pangnirtung, Iqaluit and Kimmirut