



AUG 04 2017

Votre référence - Your file

Mr. Andrew Nakashuk
Chairperson
Nunavut Planning Commission
P.O. Box 1797
IQALUIT NU X0A 0H0

Notre référence - Our file

anakashuk@nunavut.ca

Dear Mr. Nakashuk:

This letter responds to the Nunavut Planning Commission's (Commission) request for \$506,000 in supplementary funding in relation to the application made by Baffinland Iron Mine Corporation (Baffinland) for a further amendment to the North Regional Baffin Land Use Plan. It also clarifies the Government of Canada's expectations with regards to the process to amend land use plans. We have reviewed the July 20, 2017 joint letter from Nunavut Tunngavik Inc. and the Qikiqtani Inuit Association to you and to Minister Bennett, and have benefited from the views expressed in that letter.

This response does not address your separate request for \$4.9 million in relation to the Nunavut-wide land use planning process. A decision on the larger land use planning process would be premature, as significant matters remain to be discussed between the Commission, Nunavut Tunngavik Incorporated, the Government of Canada and the Government of Nunavut. Based on your July 12, 2017 letter to Minister Bennett, we appear to be in agreement that the structured process for those discussions will unfold over the coming weeks.

INAC understands that on March 17, 2017, Baffinland applied for an additional amendment to the North Baffin Regional Land Use Plan. The context for Baffinland's application is the Commission's concurrent conformity assessment of Baffinland's proposed Mary River Phase 2 Expansion Project (the Commission's Manager of Implementation's letter to Baffinland dated March 6, 2017).

The Commission has indicated it is unable to proceed with the review of Baffinland's plan amendment application without the requested \$506,000 in supplementary funding (Chairperson Nakashuk's letter to Baffinland dated July 4, 2017 and subsequent letter to Nunavut Tunngavik Incorporated and the Qikiqtani Inuit Association dated July 27, 2017). The

Commission reinforced this statement in a letter to Minister Bennett, saying that the Commission “cannot proceed with its obligations under the Nunavut Planning and Project Assessment Act” without supplementary funding (Chairperson Nakashuk’s letter to Minister Bennett dated July 4, 2017).

In considering your request, we have looked at a number of factors:

Core business:

Processing occasional applications for land use plan amendments is a function of the Nunavut Planning Commission, as laid out in the Nunavut Agreement. This should be part of your regular operating budget.

Negotiated funding levels:

The Commission's funding model and levels (\$5.4 million for 2017-2018) were negotiated as per the Nunavut Settlement Agreement signed in May 2015 by all three Parties to the Nunavut Agreement (Government of Canada, Government of Nunavut, and Nunavut Tunngavik Incorporated). The Settlement Agreement addresses matters pertaining to the implementation of the Nunavut Agreement for the planning period ending in 2022-23. The Parties were aware of the Commission's position on funding requirements when they determined to fund the Commission at the increased levels agreed to in the Settlement Agreement.

Process determinations:

The Commission's approach to the Baffinland application seems inefficient and resource intensive. Prior to allocating significant resources to a land use plan amendment process, subsection 59(2) of the *Nunavut Planning and Project Assessment Act* requires a substantive initial consideration of the proposed amendment. This required step affords an understanding of the context of the application, including whether it is likely to raise significant planning issues (as distinct from impact assessment issues). For example:

- It appears from the supplemental funding request that the Commission has determined that an in-person oral hearing is most appropriate in this case. It is not clear to INAC why written submissions would not suffice.
- The North Baffin Regional Land Use Plan contains an approved transportation corridor, created by the April 28, 2014 amendment, following in-person hearings. Baffinland's Phase 2 Expansion project involves the addition of new transportation infrastructure and activities in that corridor. It is not clear how the requested amendment would be a substantive change to the existing plan, nor

is it clear that the North Baffin Regional Land Use Plan prohibits any of the work or activities proposed by Baffinland.

The results of the Commission's initial consideration of the amendment application or any apparent effort to seek the views of Inuit or governments would be helpful to determine the appropriate next steps.

Therefore, based on the information before us, we are not prepared to provide the \$506,000 in supplementary funding the Commission has requested. INAC expects the Commission to carry out its duty to consider the proposed amendment in a fair, expeditious, and timely manner, supported by its core funding, recognizing the significant detriment any delay has not only to Baffinland, but to the investment climate in Nunavut as a whole.

Respectfully,



Mark Hopkins
Director General
Northern Affairs Organization



Joe Wild
Assistant Deputy Minister
Treaties and Aboriginal Government

c.c.: Sherri Rowe, Deputy Minister, Economic Development and
Transportation
David Akeeagok, Deputy Minister, Environment
James T. Arreak, Chief Executive Officer, Nunavut Tunngavik Inc.
P.J. Akeeagok, President, Qikiqtani Inuit Association