

Ms. Karen Hamre
Alternatives North
PO BOX 444
YELLOWKNIFE NT X1A 2N3

JUN - 1 2015

Dear Ms. Hamre,

Request for Moratorium on Hydraulic Fracturing

Thank you for your letter of May 12, 2015 in which and on behalf of Alternatives North you request a moratorium on hydraulic fracturing activities in the Northwest Territories (NWT).

The Government of the Northwest Territories (GNWT) first started looking at hydraulic fracturing practices and best practices related to it several years ago. Following devolution on April 1, 2014, that work further informed the development of new filing regulations for applications for hydraulic fracturing operations in our territory. In recent months, we have visited communities to talk about how those regulations would enhance and become part of our regulatory system. This work and dialogue is not about deciding if hydraulic fracturing will take place in the NWT. In fact, our Devolution Agreement already puts this decision in the hands of NWT residents every time a project is proposed.

Public boards established under the *Mackenzie Valley Resource Management Act* set the terms of water licences and land use permits. The Mackenzie Valley Environmental Impact Review Board conducts environmental assessments and environmental impact reviews in the Mackenzie Valley, while boards established under the land claim screen and assess development proposals in the Inuvialuit Settlement Region. The various boards and regulatory agencies in the NWT hold public hearings and receive submissions from members of the public as well as technical submissions from the GNWT. These arm's-length boards look at each application, consider all of the circumstances and make well-informed decisions.

It is a system that continues to evolve and has been proven effective in ensuring benefits from the development that has already occurred in our territory flow to NWT residents and businesses. Ours is an integrated and comprehensive process that ensures resource development decisions in the NWT are made in the public interest, informed by appropriate scientific and technical information, best practices, traditional knowledge and public input. It is one based in federal and territorial law as well as in obligations established in settled land claims and self-government agreements.

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We recognize that our regulatory system, like hydraulic fracturing itself, is detailed and can be a source of uncertainty. We can and will address this with a focus on increasing the knowledge, understanding and awareness of both legislated and industry processes that will be key to the responsible development of our economy into the future.

Rather than eliminate options by ruling out specific technologies and practices, we are focusing on learning all the ways we can to manage oil and gas development safely and responsibly.

The GNWT participates and contributes to the integrated regulatory system and has drafted the hydraulic fracturing regulations to fit into that system. Alternatives North has suggested the option of a regional study under *Mackenzie Valley Resource Management Act* (MVRMA) as a means of addressing the belief that "*the potential impacts of fracking in the NWT are poorly understood by the public and regulators alike*". At present, provisions relating to regional studies under MVRMA have not come into force and will be delayed until the Courts have dealt with the questions raised through the Tłıchǫ Government's injunction on the MVRMA amendments. Therefore, a formal Regional Study under MVRMA is not being considered at this time by the GNWT.

Hydraulic fracturing technologies have advanced greatly in recent years, as have the public accountabilities demanded from companies who incorporate this development process. Today we are confident that regions like the Sahtu and the Beaufort-Delta can realize the benefits of their oil and gas resources without harm to the environment, and our proposed regulations will help make sure of that.

We have heard from the public and the Standing Committee on Economic Development and Infrastructure that more time is needed to review the proposed regulations. We are committed to extending the engagement period until the end of August and beyond, if necessary.

That will give us more time to engage with NWT residents and offer us an opportunity this summer to meet and discuss our work in greater detail during the many gatherings and assemblies that will take place.

Sincerely,

A handwritten signature in black ink, consisting of a stylized 'D' followed by a series of loops and a final flourish.

David Ramsay
Minister

c. Honourable J. Michael Miltenberger, Minister
Environment and Natural Resources

Honourable Robert C. McLeod, Minister
Department of Lands

Mr. Peter Vician, Deputy Minister
Industry, Tourism and Investment