



Your file – Votre référence

Our file – Notre référence

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16 February 2006

Distribution List:

See list in Appendix 1

Letter to Stakeholders (Northern Aboriginal Groups) – Invitation to participate in consultations - Proposed amendments to the *Frontier Land Petroleum Royalty Regulations (FLPRR)*

The Oil and Gas Management Directorate of the Department of Indian and Northern Affairs Canada (INAC) is initiating a series of consultations as part of a proposal to amend the *Frontier Lands Petroleum Royalty Regulations (FLPRR)*.

The Government of Canada, as represented by INAC, has an obligation to consult with various Aboriginal groups in the north under several of the existing Comprehensive Land Claim Settlements with respect to any proposed amendments to the existing royalty regime. As well, INAC intends to consult with other stakeholders and Canadians, in general. These consultations are intended to provide you with an opportunity to review the proposed amendments to FLPRR and to present your views to INAC officials. INAC will give full and fair consideration to your views and you will be informed of any decision as a result.

The attached discussion paper provides the background and context regarding the proposed FLPRR amendments. This letter invites you to review the enclosed material and to submit your views, either in writing or in person.

Background

In July of 2002, the Oil and Gas Management Directorate initiated a comprehensive review of the FLPRR. The review was motivated by the need to ensure that the regulations governing the royalty regime on frontier lands¹ are modernized to accommodate what is expected to be an exceptional period of growth in northern oil and gas activity associated with rising energy prices and the anticipated development of the Mackenzie Gas Pipeline. The intent of the

¹ “Frontier lands” means lands that belong to the Government of Canada that are situated in the Northwest Territories, Nunavut, Sable Island or beneath territorial internal waters or a territorial sea of Canada.

review is not to change the fundamental policy and philosophy that guide CPRA and FLPRR.

This invitation is the next stage in the consultation process, which began with a letter informing stakeholders of the project and of its purpose. This was followed by a request for stakeholders to provide their comments on identified issues, which were subsequently summarized and circulated. A meeting was convened in 2003 to discuss these issues in more detail.

How do I submit my views?

You may submit your views either in writing or in person:

1. Written Submissions

Written submissions must be received by **April 30, 2006 to be considered**. Written submissions are to be addressed to:

Manager, Fiscal Policy & Royalty Administration
Oil & Gas Management Directorate
Indian & Northern Affairs Canada
Les Terrasses de la Chaudière
Room 635, 10 Wellington Street,
Ottawa, Ontario, K1A 0H4

or emailed at NOGRegReview@inac.gc.ca

Filed documents can be accessed at INAC's Internet site at http://www.ainc-inac.gc.ca/oil/roy/index_e.html.

2. Regional Consultations

We will be available to conduct regional consultations during March 2006 in the Northwest Territories, Nunavut, Yukon, and Alberta. To participate in these consultations please contact John Touliopoulos at (819) 953-8790 or by email at NOGRegReview@inac.gc.ca.

Please confirm if you intend to participate in the regional consultations by informing us no later than **March 1, 2006** of your preferred consultation location and date(s). If you have any special needs, including specific language requirements, please let us know.

Based on feedback from all stakeholders, a schedule of consultations, including locations, dates, and times will be developed and distributed by March 10, 2006.

What happens after consultations have concluded?

During April, May and June 2006, **all** of the views presented will be reviewed and considered. Stakeholders will be subsequently informed in writing of the results of the consultations.

The proposed amendments to FLPRR will be pre-published in the Canada Gazette Part I during the latter part of 2006. This stage of the process will provide you with the opportunity to review and comment on the final draft of the proposed amendments to the regulations before they are passed into law.

Please consult Appendix II for a list of key dates of this process.

Contacts / Additional Information

Should you require any additional information, please do not hesitate to contact either Claude Rousseau or John Touliopoulos directly at (819) 953-9488 or (819) 953-8790 respectively, or to visit our web-site at http://www.ainc-inac.gc.ca/oil/roy/index_e.html.

Yours truly,

George Green
Director
Oil and Gas Management Directorate
Northern Oil and Gas Branch
Indian and Northern Affairs Canada

Atts:

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Aboriginal Groups

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Appendix II

Proposed Amendments to Frontier Lands Petroleum Royalty Regulations Key Dates	
Activity	Key Date
Deadline for stakeholders to indicate their interest to participate in regional consultations	March 1, 2006
Distribution of the schedule of regional consultations to participants	March 10, 2006
Regional consultations with stakeholders	March 2006
Deadline for written submission from stakeholders on the proposed amendments to FLPRR	April 30, 2006
Stakeholders to be informed of the results of consultations	August 31, 2006
Publication of the proposed amendments in the Canada Gazette Part I	December 31, 2006
Final review of written comments received by INAC following Canada Gazette Part I publication	2007
Publication of final amendments to the regulations in Canada Gazette Part II (amendments become law)	2007