NORTHWEST TERRITORIES LANDS AND RESOURCES DEVOLUTION AGREEMENT-IN-PRINCIPLE

	Made with effect as of this	day of	2011
	BETW	·	
The Government of Canada as represented by the Minister of Indian Affairs and Northern Development (hereinafter referred to as "Canada")			
and			
The G	Government of the Northwest Teri (hereinafter referred		-

WHEREAS, to enhance the ability of the Government of the Northwest Territories to serve the interests of its constituents and to promote the effective, efficient and coordinated management of the public lands, waters and resources of the Northwest Territories, the Government of Canada is prepared to devolve to the Government of the Northwest Territories its legislative powers and responsibilities with respect to public lands, waters and resources administered by the Northern Affairs Program of the Department of Indian Affairs and Northern Development as related to the Northwest Territories, together with the legislative powers and responsibilities in respect of the regulation of oil and gas operations in the Northwest Territories currently administered by the National Energy Board under the *Canada Oil and Gas Operations Act*.

AND WHEREAS, it is in the best interests of the people of the Northwest Territories and all Canadians that such devolution be done in a manner that recognizes and complements the government to government relationships in the Northwest Territories evolving within the framework of the Canadian Constitution and establishes a framework for a cooperative and coordinated management regime for lands, waters and resources in the Northwest Territories in which the Aboriginal peoples and the Government of the Northwest Territories participate.

AND WHEREAS, such devolution is to be done in a manner that respects existing land, water and resource rights and minimizes disruption to the provision of programs and services.

NOW THEREFORE, the Parties agree in principle as follows:

DEFINITIONS

1.1 Unless otherwise provided, in this Agreement-in-Principle and any appendix attached hereto:

"Aboriginal Organization" means,

- (a) a governing body, representing an Aboriginal people of the NWT, that is established by or operating under a Self-Government Agreement; or
- (b) a body representing an Aboriginal people of the NWT which,
 - (i) has concluded a Settlement Agreement;
 - (ii) has concluded a treaty land entitlement agreement; or
 - (iii) is participating in a formal process with the Crown for the negotiation of a land claim agreement, land and resources agreement, treaty or Self-Government Agreement.

"Aboriginal Party" means an Aboriginal Organization that is a party to the Devolution Agreement.

"Affected Federal Employee" means each indeterminate NAO employee who receives a job offer from the GNWT and a notice from Canada of alternative delivery initiative pursuant to Part VII of the Federal Workforce Adjustment Directive or equivalent provisions of any collective agreement applicable to such employee.

"Agreement-in-Principle" means this Northwest Territories Lands and Resources Devolution Agreement-in-Principle.

"Alteration" means any component of a site, including any construction, work or substance added to or deposited on a site and any alteration of the natural condition of a site, resulting from authorized or unauthorized human activities.

"CCME Guidelines" means the most recent *Canadian Environmental Quality Guidelines*, developed and approved from time to time by the Canadian Council of Ministers of the Environment.

"Chief Negotiator" means the person designated by each of the Parties as its Chief Negotiator.

"Commissioner" means the Commissioner of the Northwest Territories appointed pursuant to the *Northwest Territories Act* (Canada).

"Commissioner's Lands" means lands belonging to Her Majesty in right of Canada that are under the administration and control of the Commissioner immediately prior to the Effective Date.

"Devolution Agreement" means the final Northwest Territories Lands and Resources Devolution Agreement.

"DIAND" means the Department of Indian Affairs and Northern Development.

"Effective Date" means the date upon which the legislation amending or repealing and replacing the *Northwest Territories Act* (Canada) in accordance with 5.8 comes into effect, which date shall be the first day of April.

"Encumbering Right" means a right in respect of Settlement Lands referred to in section 7(94) of the *Inuvialuit Final Agreement*, section 18.5 of the *Gwich'in Agreement*, section 19.5 of the *Sahtu Agreement*, section 18.6 of the *Tåîchô Agreement* and any similar right administered by Canada or the GNWT pursuant to similar terms of any other Settlement Agreement.

"Existing Interest" means:

- (a) any right or interest that exists immediately prior to the Effective Date under a provision of federal legislation, which is repealed or rendered inapplicable by an Act of Parliament implementing the Devolution Agreement;
- (b) any right or interest that exists immediately prior to the Effective Date under an access order, permit, licence or other authorization, lease or agreement for lease or sale issued, granted or otherwise secured under a provision of federal legislation, which is repealed or rendered inapplicable by an Act of Parliament implementing the Devolution Agreement; or
- (c) any right or interest which is a renewal, replacement or successor of a right or interest referred to in (a) or (b) where a right to such renewal, replacement, or successor right or interest exists immediately prior to the Effective Date.

"Federal Agent Corporation" means an "agent corporation" as defined in subsection 83(1) of the *Financial Administration Act* (Canada).

"Federal Building" means a non-residential building under the administration and control of either Public Works Canada or DIAND including the parcel of land upon which the building is situated.

"Federal Department" means:

- (a) a department named in Schedule I to the *Financial Administration Act* (Canada);
- (b) a division or branch of the federal public administration named in Schedule I.1 to that Act; or

(c) a departmental corporation as defined in section 2 of that Act.

"Federal Service" means the period of service with Canada of an Affected Federal Employee which is recognized by Canada for the purposes of calculating entitlement to a particular benefit immediately prior to the Effective Date.

"Gas" means natural gas including coal-bed methane and all substances produced in association with natural gas.

"Gwich'in Agreement" means the land claims agreement between Her Majesty the Queen in right of Canada and the Gwich'in, signed on April 22, 1992 and given effect by the *Gwich'in Land Claim Settlement Act* (Canada), as that agreement is amended from time to time in accordance with its provisions.

"Impact" means a hazard to the environment, human health or safety, resulting from an Alteration.

"Implementation Working Groups" means those working groups established pursuant to this Agreement-in-Principle, including those established pursuant to 13.4(a), but excluding those established pursuant to 3.7.

"Interim Agreement" means an agreement, whether legally binding or not, between or among Canada, the GNWT and an Aboriginal party which sets out processes relating to land, water or resource management in the NWT intended as interim measures while negotiating towards the conclusion of a final agreement with that Aboriginal party.

"Inuvialuit Final Agreement" means the land claims agreement between Canada and the Inuvialuit of the Inuvialuit Settlement Region, signed on June 5, 1984, and given effect by the Western Arctic (Inuvialuit) Claims Settlement Act, as that agreement is amended from time to time in accordance with its provisions.

"IT Assets" means all telecommunications and computing related assets, including computer hardware, computer software and supporting network infrastructure such as cabling, hubs, and switches, owned by Canada, immediately prior to Effective Date, dedicated to or used by NAP for those functions related to the administration and control of Public Lands and rights in respect of Waters which will no longer be performed by Canada after the Effective Date.

"Legislature" means the Commissioner in Council of the Northwest Territories.

"Line of Delimitation" means the line of delimitation referred to in 5.13.

"Listed Federal Building" means a Federal Building on the list appended to and forming part of the Devolution Agreement pursuant to in 10.3.

"Mackenzie River Delta" means that section of the coast of the Northwest Territories having its

western limit at the boundary between Yukon and the Northwest Territories and its eastern limit at a point to be set out in the Devolution Agreement.

"Management" means in respect of a Waste Site, the process of the identification, assessment, monitoring and Remediation of that Waste Site.

"Minerals" means precious or base metals or other non-living naturally occurring substances that are, or were before production, part of land, whether solid, liquid or gaseous, including coal, but not including, Oil, Gas or Water.

"Movable Assets" means the tangible personal property located in the NWT and owned by Canada immediately prior to the Effective Date and used solely in relation to those NAP functions related to the administration and control of Public Lands and rights in respect of Waters which will no longer be performed by Canada after the Effective Date, including, but not limited to, chattels, equipment (including laboratory equipment), furniture, motor vehicles and IT Assets and any documents of title in the possession of Canada related to such tangible personal property but, for greater certainty, not including any chattel paper, money or securities, accounts, instruments or other intangible personal property that are not documents of title.

"NAO" means the Northern Affairs Organization of the DIAND as it relates to the NWT.

"NEB" means the National Energy Board.

"Net Fiscal Benefit" means the amount of resource revenue that is not offset against the Territorial Formula Financing payment received by the Government of the Northwest Territories from the Government of Canada.

"Norman Wells Proven Area" means the proven area identified under the Proven Area Agreement.

"NWT" means the Northwest Territories.

"Oil" means crude petroleum, regardless of gravity, produced at a well-head in liquid form and any other hydrocarbons, except Gas. It includes hydrocarbons that may be extracted or recovered from surface or subsurface deposits of oil sand, bitumen, bituminous sand or oil shale or from other types of deposits, but does not include coal.

"Onshore" means,

- lands, including lands under water, that lie landward of the low-water line of the sea coast of the mainland or any naturally occurring permanent island in that part of Canada lying north of the sixtieth parallel of north latitude and not within Yukon, Nunavut or any province;
- (b) lands under water within Small Enclosed Bays along the sea coast of the mainland or any naturally occurring permanent island in that part of Canada referred to in paragraph (a); and

(c) lands, including lands under water, that lie landward of the Line of Delimitation and seaward of the low-water line of the sea coast of the mainland in that part of Canada referred to in paragraph (a),

but does not include any lands seaward of the Line of Delimitation other than the lands on the islands referred to in (a) or lands under water within Small Enclosed Bays along the sea coast of such islands referred to in (b).

"Operating Site" means a site at the Effective Date in respect of which there is a person legally responsible, other than as set out under the Devolution Agreement, for the care and maintenance or Remediation of that site.

"Party" means a party to this Agreement-in-Principle.

"Proven Area Agreement" means the agreement dated July 21, 1944 between Imperial Oil Limited and His Majesty in Right of Canada, as amended and renewed from time to time.

"Public Lands" means any land, or any interest therein, Onshore that belongs to Her Majesty in right of Canada and includes beds of bodies of Waters, Minerals, Oil, Gas, and buildings, structures, improvements and other fixtures, on, above or below the surface of the land, except for:

- (a) Commissioner's Lands; and
- (b) such other lands, or any interest therein, specifically excluded from transfer pursuant to the terms of the Devolution Agreement.

"Public Works Canada" means the Department of Public Works and Government Services Canada.

"Record" means a record of information, regardless of physical form or medium, including: correspondence, memoranda, electronic mail, books, plans, maps, drawings, diagrams, pictorial or graphic works, photographs, films, microfilms, sound recordings, videotapes, machine readable records, facsimiles, facsimile transmittal records, and facsimile activity reports.

"Released Site" means a site:

- (a) identified in the appendix referred to in 8.3(f);
- (b) referred to in 8.14; and
- such other sites as may be agreed upon between Canada and the GNWT pursuant to the terms of the Devolution Agreement.

"Remediate" or "Remediation" means the prevention, minimization or mitigation of an Impact through the development and application of a planned approach to make improvements at a site in order to remove, destroy, contain or otherwise reduce availability of contaminants to receptors

of concern, and to remove, destroy or contain safety hazards, which improvements may require monitoring and care and maintenance.

"Sahtu Agreement" means the land claims agreement between Her Majesty the Queen in right of Canada and the Sahtu Dene and Métis, signed on September 6, 1993 and given effect by the Sahtu Dene and Métis Land Claim Settlement Act, as that agreement is amended from time to time in accordance with its provisions.

"Self-Government Agreement" means an agreement between the Crown and an Aboriginal people of the NWT, which is brought into force or implemented by federal legislation and which recognizes:

- (a) the legal status and capacity of a governing body to represent such Aboriginal people; and
- (b) the authority of that governing body to enact laws.

"Settlement Agreement" means an agreement listed on the list of Settlement Agreements referred to in 4.12.

"Settlement Lands" means lands in the NWT the title to which is vested in an Aboriginal Organization pursuant to the terms of a Settlement Agreement.

"Small Enclosed Bay" means any coastal indentation where both:

- (a) the distance of a straight line across the entrance of the indentation at the low-water line measures 4 kilometres or less; and
- (b) the area of the indentation, including any islands or parts of islands lying within the indentation, is greater than that of a semicircle whose diameter is the distance of the straight line across the entrance of the indentation at the low-water line.

"Tåîchô Agreement" means the land claims and self-government agreement made among the Tåîchô, Canada, and the GNWT, signed on August 25, 2003, and given effect by the Tåîchô Land Claims and Self-Government Act, as that agreement is amended from time to time in accordance with its provisions.

"Waste Site" means a site where an Impact exists and there is no person legally responsible, other than as set out under the Devolution Agreement, for the care and maintenance or Remediation of that site.

"Waters" means any inland waters on or below the surface of land Onshore in the NWT, whether in a liquid or frozen state, except any waters that are excluded from transfer pursuant to the Devolution Agreement.

GENERAL PROVISIONS of this AGREEMENT-in-PRINCIPLE

Purpose

- 2.1 The purpose of this Agreement-in-Principle is:
 - (a) to confirm the commitment of the Parties, as evidenced by their approval of this Agreement-in-Principle, to enter into negotiations for the conclusion of the Devolution Agreement and such other agreements as contemplated by this Agreement-in-Principle; and
 - (b) to set out specific provisions and identify subject matters for negotiation which shall form the basis of the Devolution Agreement.

Initialing and Approval of this Agreement-in-Principle

- 2.2 The initialing of this Agreement-in-Principle by a chief negotiator for a party constitutes his or her recommendation for approval and once so initialed the chief negotiator shall submit the initialed Agreement-in-Principle to his or her principal for consideration of approval.
- 2.3 This Agreement-in-Principle takes effect upon the signing hereof by Canada and the GNWT.
- 2.4 Any of the following may become a Party by having their authorized representative sign this Agreement-in-Principle:
 - (a) the Inuvialuit Regional Corporation;
 - (b) the Gwich'in Tribal Council;
 - (c) the Sahtu Secretariat Incorporated;
 - (d) the Taîchô Government;
 - (e) the Akaitcho Territory Government;
 - (f) the Northwest Territory Métis Nation; and
 - (g) the Dehcho First Nation.

Addition of Parties

2.5 Upon the consent of Canada and the GNWT any Aboriginal Organization, which is not referred to in 2.4, may become a Party by having their authorized representative sign this Agreement-in-Principle.

Counterparts

2.6 This Agreement-in-Principle may be executed in several counterparts, and all such counterparts taken together shall be deemed to constitute one and the same instrument.

Legal Status

2.7 This Agreement-in-Principle is not legally binding, is without prejudice to the legal positions of any person and is not to be interpreted as creating, recognizing or denying any rights or obligations.

DEVOLUTION AGREEMENT NEGOTIATION PROCESS

Negotiation of the Devolution Agreement

- 3.1 Upon approval of the Agreement-in-Principle the Parties hereto shall negotiate in good faith and make best efforts to conclude the Devolution Agreement within one year.
- 3.2 The Parties shall target the Effective Date for a date within one year from the date of the approval of the Devolution Agreement.
- 3.3 The Devolution Agreement shall set out processes for its approval and coming into effect.
- 3.4 The main table shall consist of the Chief Negotiators designated by each of the Parties and their respective negotiating teams.
- 3.5 The Chief Negotiators shall be collectively responsible for directing the conduct and coordination of the negotiations.
- 3.6 The Chief Negotiators shall set work plans for negotiations including agendas, schedules and priorities, and such work plans shall provide that the main table shall meet at least once a month or with such other frequency as the Chief Negotiators may agree.
- 3.7 The Chief Negotiators may establish working groups and drafting groups and set work plans and reporting protocols for such groups.
- 3.8 Subject to legislative or contractual confidentiality restrictions, the Parties shall make available to each other on a timely basis information relevant to the subject matters of these negotiations.
- 3.9 Any two or more Parties may negotiate bilateral agreements on any of the subject matters and, with the agreement of all Parties, any such bilateral agreement may be incorporated into and form part of the Devolution Agreement. No such bilateral agreement shall create any legally enforceable rights, obligations or liabilities binding on any Party that is not a party to the bilateral agreement unless agreed in writing by such Party.
- 3.10 The parties to bilateral negotiations referred to in 3.9 shall inform and update the main table on a timely basis of any matters that are the subject of such bilateral negotiations.

GENERAL PROVISIONS OF THE DEVOLUTION AGREEMENT

Constitution of Canada

- 4.1 Nothing in the Devolution Agreement shall be construed so as to affect in any manner the Constitution of Canada.
- 4.2 Nothing in the Devolution Agreement shall be construed so as to give the Legislature greater powers than are given to legislatures of the provinces under sections 92, 92A and 95 of the *Constitution Act*, 1867, with respect to similar classes of subjects described in those sections.
- 4.3 The Legislature will not have the authority to make laws in relation to matters within class 24 of section 91 of the *Constitution Act*, 1867, except to the extent that such authority is:
 - (a) provided to the Legislature by federal legislation for the purposes of implementing land claim or self-government agreements; or
 - (b) already given to the Legislature on the date the Devolution Agreement is signed.

Paramountcy

4.4 Nothing in the Devolution Agreement shall be construed so as to prevent an Act of Parliament from prevailing over territorial legislation to the extent of any conflict between them.

Aboriginal Rights and Interests

- 4.5 It is the intention of the Parties that the negotiation of the Devolution Agreement shall not delay, impair or impede any current negotiations processes among the Aboriginal peoples of the NWT, Canada and the GNWT or the commencement of such processes and the settlement of such negotiations shall remain a priority of the Parties.
- 4.6 Nothing in the Devolution Agreement shall be construed as an admission or acknowledgement by the Crown as to the existence, nature or scope of any Aboriginal or treaty right of Aboriginal peoples of Canada, or of any fiduciary duty or obligation, or any other constitutional obligation to Aboriginal peoples of Canada.
- 4.7 Nothing in the Devolution Agreement shall be construed so as to preclude any person from advocating before the courts any position on the existence, nature or scope of any Aboriginal or treaty right of Aboriginal peoples of Canada, or of any fiduciary obligation, or any other constitutional obligation to the Aboriginal peoples of Canada.

4.8 The Parties will consider whether there is a requirement for further provisions in the Devolution Agreement in respect of rights under section 35 of the *Constitution Act*, 1982.

Land Protection Measures

- 4.9 Subject to 4.10, nothing in the Devolution Agreement shall be construed so as to affect any Interim Agreement in place as at the Effective Date.
- 4.10 As soon as is practicable after the signing of this Agreement-in-Principle, Canada and the GNWT shall enter into discussions with each Aboriginal party to an Interim Agreement to identify those existing roles of Canada and the GNWT under such Interim Agreements which may be affected as a result of devolution and to discuss the fulfilment of such roles after the Effective Date.
- 4.11 Public Lands and rights in respect of Waters that are subject to withdrawal and prohibition orders at the Effective Date, including interim measures arrangements, shall be subject to similar withdrawal and prohibition orders after the Effective Date pursuant to applicable legislation.

Settlement Agreements

- A list of Settlement Agreements shall be appended to and form part of the Devolution Agreement, which list shall include the Gwich'in Agreement, the Sahtu Agreement, the Tåîchô Agreement, the Inuvialuit Final Agreement and any other agreement added to the list pursuant to 4.13 and 4.14.
- 4.13 Where a final agreement as contemplated by the Dehcho, Akaitcho, or Northwest Territory Métis Nation (South Slave Métis) framework agreements is concluded and brought into effect:
 - (a) prior to the signing of the Devolution Agreement, such final agreement shall, upon the written request of the Aboriginal party to such final agreement, be added to the list referred to in 4.12; or
 - (b) following the signing of the Devolution Agreement, the list referred to in 4.12 shall, upon the written request of the Aboriginal party to such agreement, be amended to include such final agreement.
- 4.14 The list referred to in 4.12 may be amended to include any agreement other than those agreements referred to in 4.13 where Canada, the GNWT and the Aboriginal party to such agreement agree to such amendment.

Government Obligations under Settlement Agreements

- 4.15 As soon as is practicable after the signing of this Agreement-in-Principle, Canada will enter into discussions with each Aboriginal party to a Settlement Agreement and the GNWT to identify government obligations under such Settlement Agreement, and any related funding amounts, affected by the transfer of administration and control of Public Lands and rights in respect of Waters to the Commissioner pursuant to the Devolution Agreement.
- 4.16 As soon as is practicable after the signing of this Agreement-in-Principle, Canada and the GNWT shall enter into discussions with each Aboriginal party to a Settlement Agreement to review the provisions of, including consideration of amendments to, any implementation plan related to such Settlement Agreement which may be affected by the transfer of administration and control of Public Lands and rights in respect of Waters to the Commissioner pursuant to the Devolution Agreement.

Northwest Territories Oil and Gas Accord

4.17 To the extent that the provisions of the Devolution Agreement relate to Oil and Gas resources such provisions constitute a component of, but not the entire, Northwest Territories Oil and Gas Accord referred to in Annex I-C-25 of the North American Free Trade Agreement. For greater certainty, the conclusion of this component of the Northwest Territories Oil and Gas Accord is without prejudice to the conclusion of other components relating to subject-matters originally contemplated as being included in such Accord but not settled in the Devolution Agreement, including, Oil and Gas resources offshore and in Nunavut.

Indemnities

4.18 The Devolution Agreement will contain such indemnities as the Parties may agree.

Appropriation of Funds

- 4.19 Financial provisions of the Devolution Agreement applicable to Canada are subject to the appropriation of funds by the Parliament of Canada.
- 4.20 Financial provisions of the Devolution Agreement applicable to the GNWT are subject to the appropriation of funds by the Legislature.

Dispute Resolution

4.21 In addition to the dispute resolution mechanism contemplated under Chapter 8 of this Agreement-in-Principle, the Devolution Agreement shall contain such other dispute resolution mechanisms as the Parties may agree.

No Benefits

4.22 No member of the House of Commons shall be admitted to any share or part of the Devolution Agreement, or to any benefit to arise from it.

Other Programs

- 4.23 Nothing in the Devolution Agreement shall preclude a person from being eligible to participate in any federal or territorial programs, inclusive of the financial benefits related to such programs, in accordance with applicable program criteria, as such programs may exist from time to time.
- 4.24 Nothing in the Devolution Agreement shall affect the eligibility of an Aboriginal government or organization and the GNWT to receive and benefit from federal programs, grants and contributions related to land and resource management in accordance with applicable program criteria, as such programs, grants and contributions may exist from time to time.

Definition of the NWT

4.25 Nothing in the Devolution Agreement shall be construed so as to alter, or require the alteration of, the definition of the Northwest Territories as established in the *Northwest Territories Act* (Canada).

TRANSFER OF RESPONSIBILITIES

Administration and Control of Public Lands and Rights in Respect of Waters

- 5.1 The Devolution Agreement will provide for the transfer to the Commissioner of administration and control of Public Lands and rights in respect of Waters.
- 5.2 Notwithstanding the transfer under 5.1, Public Lands and rights in respect of Waters belonging to Her Majesty in right of Canada at the Effective Date shall continue to belong to Her Majesty in right of Canada.

Existing Rights

- 5.3 The transfer of the administration and control of Public Lands and rights in respect of Waters to the Commissioner pursuant to 5.1 shall not:
 - (a) affect any existing right or interest or trust, including any Existing Interest, in respect of Public Lands;
 - (b) affect any existing right, including any Existing Interest, in respect of Waters; or
 - (c) abrogate or derogate from;
 - (i) any Aboriginal or treaty right, including any right under Treaty 8 or Treaty 11, of the Aboriginal peoples of Canada; or
 - (ii) any fiduciary duty or obligation of the Crown to the Aboriginal peoples of Canada, including any obligation provided by the Constitution of Canada.

Exercise of Administration and Control

- 5.4 The administration of Public Lands and rights in respect of Waters by the Commissioner shall be exercised in a manner consistent with the terms and conditions of the Devolution Agreement and the protocols developed pursuant to 6.8.
- Nothing in the Devolution Agreement shall be construed so as to affect any jurisdiction of Canada in respect of:
 - (a) offshore marine areas;
 - (b) fish and fish habitat in both offshore marine areas and Onshore freshwater areas; or
 - (c) offshore resources, including Oil and Gas.
- 5.6 Provisions identifying certain programs and services which will continue to be delivered

- by Canada notwithstanding the transfer of administration and control referred to in 5.1, are a subject matter for negotiation in the Devolution Agreement.
- 5.7 As of the Effective Date, the Commissioner may, subject to the terms and conditions of the Devolution Agreement, use, sell or otherwise dispose of the entire or any lesser interest in Public Lands and retain the proceeds of their use, sale or disposition, and may exercise rights in respect of Waters, or sell or otherwise dispose of them and retain the proceeds of their exercise, sale or disposition.
- 5.8 Canada will commit in the Devolution Agreement to introduce into Parliament and support as a government measure legislation necessary to:
 - (a) repeal and replace or amend the *Northwest Territories Act* (Canada) in order to provide that the Legislature has the authority to make laws in relation to Public Lands, Waters, and the disposition of any right or interest in Public Lands or of any right in respect of Waters;
 - (b) repeal the *Northwest Territories Reindeer Regulations* and the *Northwest Territories Archaeological Sites Regulations* made under the *Northwest Territories Act* (Canada);
 - (c) repeal the *Northwest Territories Waters Act* (Canada) and any regulations made under that Act;
 - (d) amend, or repeal in whole or in part the *Mackenzie Valley Resource Management Act* (Canada) and any regulations made under that Act;
 - (e) make the *Territorial Lands Act* (Canada) and any regulations made under that Act inapplicable in respect of the Onshore;
 - (f) make the *Canada Oil and Gas Operations Act* (Canada) and the *Canadian Petroleum Resources Act* (Canada) and any regulations made under those Acts inapplicable in respect of the Onshore, except in respect of the Norman Wells Proven Area;
 - (g) provide for certain aspects of the Devolution Agreement; and
 - (h) make consequential amendments to other federal legislation as required.
- 5.9 The legislation referred to in 5.8 will provide that:
 - (a) the Legislature may make laws in relation to:
 - (i) the exploration for non-renewable natural resources in the Onshore;

- (ii) the development, conservation and management of non-renewable natural resources in the Onshore, including laws in relation to the rate of primary production from those resources;
- (iii) oil and gas pipelines located entirely within the Onshore;
- (iv) the development, conservation and management of sites and facilities in the Onshore for the generation and production of electrical energy;
- (v) the export, from the Onshore to another part of Canada, of the primary production from non-renewable natural resources in the Onshore, and of electrical energy generated or produced from facilities in the Onshore; and
- (vi) the raising of money by any mode of taxation in respect of resources referred to in sub-paragraph (ii) and the primary production from those resources and in respect of sites and facilities referred to in sub-paragraph (iv) and the production of electrical energy from them;
- (b) laws made in relation to the matters referred to in paragraph (a)(v) may not authorize or provide for discrimination in prices or in supplies exported;
- (c) laws made in relation to the matters referred to in paragraph (a)(vi) may not authorize or provide for taxation that differentiates between production that is not exported and production that is exported to another part of Canada; and
- (d) the Legislature may not make laws in respect of the right to the use and flow of waters for the production or generation of water-power to which the *Dominion Water Power Act* (Canada) applies.
- 5.10 The GNWT will commit in the Devolution Agreement to introduce into the Legislature and support as a government measure legislation that:
 - (a) substantially mirrors the legislation repealed or made inapplicable to the Onshore pursuant to 5.8(b) to (f); and
 - (b) makes consequential amendments to other territorial legislation as required.
- 5.11 As soon as is practicable after the signing of this Agreement-in-Principle the Parties will develop a protocol with respect to the review of the legislation referred to in 5.8 and 5.10 prior to its introduction into Parliament or the Legislature.
- 5.12 The Devolution Agreement shall address the legislative gap relating to public environmental assessment in the Inuvialuit Settlement Region resulting from the limited

application of the *Canadian Environmental Assessment Act* (Canada) after the Effective Date.

Onshore/Offshore Delineation

- 5.13 To reflect the ambulatory nature of sections of the coast in the Mackenzie River Delta the Parties shall determine a Line of Delimitation using appropriate delineation methods, which line shall allow for the inclusion of Small Enclosed Bays and approximate the lowwater line of the coast except where:
 - (a) scientific analysis reasonably projects that over time there will be accretion seaward from the current low-water line of a particular section of the coast; or
 - (b) the Parties agree to allow for exceptions to the low-water line in the Mackenzie River Delta.
- 5.14 Notwithstanding the definition of Small Enclosed Bays, Canada, may agree, where warranted, to transfer to the Commissioner the administration and control of Oil and Gas in the beds of certain other bays.
- 5.15 As soon as is practicable after the signing of this Agreement-in-Principle, the Parties shall establish a delineation working group for the purposes of coordinating any work required under 5.13 and 5.14.

Offshore Oil and Gas Management

- 5.16 Canada and the GNWT, with the participation of the Inuvialuit Regional Corporation, shall commence negotiations for the management of Oil and Gas, in the Beaufort Sea, and other northern offshore areas as may be agreed, including Oil and Gas resource revenue sharing and the timing of the commencement of any such revenue sharing, no later than the earlier of:
 - (a) such time as Canada commences negotiations with Yukon for the management of Oil and Gas resources in the Beaufort Sea; or
 - (b) sixty days after the signing of the Devolution Agreement.
- 5.17 Any resource revenue received by the GNWT in respect of Oil and Gas in the Beaufort Sea, and other northern offshore areas as may be agreed, shall be shared among the GNWT and Aboriginal Organizations in accordance with a formula for the sharing of resource revenue as agreed to by the GNWT and Aboriginal Parties.

Services in Official Languages

5.18 As of the Effective Date, in respect of programs and services provided by the GNWT as a result of the Devolution Agreement, any member of the public will have the right to communicate with, and receive available service from, the GNWT in an official language

of the NWT in accordance with the Official Languages Act (NWT).

Existing Interests

- 5.19 Subject to 5.20, 5.21 and 5.22 any Existing Interests shall be administered and governed as of the Effective Date in accordance with territorial legislation.
- 5.20 As of the Effective Date, a law of the Legislature may only provide for additional conditions in respect of the exercise of an Existing Interest if the law applies to the same extent to Existing Interests as to similar rights and interests issued, granted or secured under territorial legislation.
- 5.21 Subject to 5.22 and as of the Effective Date, a law of the Legislature may only provide for the cancellation, suspension or limitation of an Existing Interest where:
 - (a) immediately prior to the Effective Date, the Existing Interest could have been cancelled, suspended or limited in identical circumstances; or
 - (b) the cancellation, suspension or limitation is for a failure to comply with a condition in respect of the exercise of the Existing Interest and the law applies to the same extent to the Existing Interest as to similar rights and interests issued, granted or secured under territorial legislation.
- 5.22 A law of the Legislature may not provide for the cancellation, suspension or limitation of an Existing Interest pursuant to 5.21(b), where the Existing Interest is a right or interest, which arose from:
 - (a) a recorded claim, a lease of a recorded claim or a prospecting permit granted pursuant to the *Northwest Territories and Nunavut Mining Regulations* (Canada); or
 - (b) an "interest" within the meaning of s.2 of the *Canada Petroleum Resources Act* (Canada).
- 5.23 Any Existing Interest shall continue in full force and effect:
 - (a) until the Existing Interest expires or is surrendered;
 - (b) unless the holder of the Existing Interest and the GNWT agree that the Existing Interest be cancelled and replaced by a right or interest provided by the GNWT;
 - (c) unless the Existing Interest is an Encumbering Right, and the holder of the Existing Right and an Aboriginal Organization agree that that Existing Interest be cancelled pursuant to the terms of a Settlement Agreement.

- (d) unless the Existing Interest or any right under it is limited, suspended or cancelled pursuant to a law of the Legislature in accordance with 5.21; or
- (e) unless the Existing Interest is expropriated and the right holder is compensated pursuant to territorial legislation.

Access to Land

- 5.24 The Devolution Agreement will provide that the GNWT shall grant Canada access to Public Lands and Waters to allow Canada to fulfil its commitments under this Agreement and to fulfil any of Canada's other responsibilities in the NWT.
- 5.25 The access referred to in 5.24 shall be at no charge to Canada and shall not require any expenditure of monies or incurrence of expense by the GNWT.

Inventory of Exclusions

- 5.26 As soon as is practicable after the signing of this AIP, Canada shall provide to the other Parties, a preliminary inventory and description of lands and rights in respect of waters referred to in 5.27, which Canada proposes will be excluded from the transfer of administration and control to the Commissioner pursuant to the Devolution Agreement.
- 5.27 Canada shall provide a list, which shall contain an inventory and description of land and rights in respect of waters, or interests therein, including beds of bodies of water, Minerals, Oil, Gas, buildings other than Listed Federal Buildings, structures, improvements and other fixtures, on, above or below the surface of the lands, that shall be excluded from the transfer of administration and control to the Commissioner pursuant to the Devolution Agreement.
- 5.28 The list referred to in 5.27 shall include each "reserve", as defined in section 2(1) of the *Indian Act* (Canada), and all lands set aside as Indian Affairs Branch lands.
- 5.29 The list referred to in 5.27 shall be included as an appendix to the Devolution Agreement, which appendix may be amended by Canada at any time prior to the Effective Date to include any land or rights in respect of waters not on the list but required for the purposes of a Federal Department or which are under the administration of a Federal Agent Corporation.
- 5.30 The Devolution Agreement will provide that if, within five years following the Effective Date, it is determined by Canada that any Public Lands or rights in respect of Waters not excluded from transfer were, on the Effective Date, required for the purposes of a Federal Department or a Federal Agent Corporation, the Commissioner shall relinquish to Canada the administration and control of those Public Lands or rights in respect of Water to Canada for the benefit of that Federal Department or Federal Agent Corporation.

Reservation by Notation

- 5.31 As soon as is practicable after the signing of this AIP, Canada shall provide to the other Parties a list of all Public Lands and rights in respect of Waters that are reserved for the use of a Federal Department or Federal Agent Corporation by entry in the federal property records of the NWT land administration office of DIAND.
- 5.32 The Devolution Agreement shall provide that any Public Lands or rights in respect of Water that immediately prior to the Effective Date are reserved in the federal property records of the NWT land administration office of DIAND for the use of any Federal Department or Federal Agent Corporation, shall be reserved by the GNWT by making entries in its property records with effect as of the Effective Date.
- 5.33 The Devolution Agreement shall provide that upon the request of a Federal Department or Federal Agent Corporation for which Public Lands or rights in respect of Water is reserved pursuant to 5.32, the Commissioner shall relinquish administration and control of such Public Lands or rights in respect of Water to Canada for the benefit of that Federal Department or Federal Agent Corporation.

Consultation Prior to Relinquishment

- 5.34 The Devolution Agreement will provide that prior to the relinquishment of administration and control referred to in 5.30 or 5.33, Canada shall:
 - (a) identify to the GNWT and affected Aboriginal Organizations the intended use of the land to be relinquished; and
 - (b) consult with the GNWT and affected Aboriginal Organizations, on the boundaries and quantum of the land to be relinquished.

Taking of Administration and Control by Canada

- 5.35 The Devolution Agreement will provide that the Governor in Council may take from the Commissioner the administration and control of any lands or rights in respect of Waters where Canada determines it is necessary to do so for:
 - (a) the national interest, including:
 - (i) national defence or security;
 - (ii) the establishment, or changes to the boundaries, of a national park, national park reserve, national historic site or other area protected under an Act of Parliament; or
 - (iii) the creation of the infrastructure required for initiatives in respect of transportation or energy;

- (b) the welfare of Indians and Inuit;
- (c) the fulfillment of an obligation in respect of an Aboriginal or treaty right recognized and affirmed under section 35 of the *Constitution Act*, 1982; or
- (d) the settlement of an Aboriginal land claim or the implementation of an Aboriginal land claim agreement, Settlement Agreement, treaty or Self-Government Agreement.
- 5.36 The Devolution Agreement will provide that prior to the taking of administration and control of lands or rights in respect of Waters from the Commissioner pursuant to 5.35, Canada shall:
 - (a) identify to the GNWT and any affected Aboriginal Organization,
 - (i) the purpose for which the lands are being taken and the location and quantum of land being taken; and
 - (ii) the purpose for which the rights in respect of Waters are being taken and the location of the Waters subject to the taking; and
 - (b) except in cases involving national defence or security, consult with the GNWT and affected Aboriginal Organization on the boundaries of lands and the location of the Waters subject to the taking.
- 5.37 The Devolution Agreement will provide that the Governor in Council may prohibit the issuance of interests or the authorization of activities, under territorial legislation, in or on lands under the administration and control of the Commissioner, if Canada considers that such prohibition is required:
 - (a) before the administration and control of land is taken by Canada pursuant to 5.35(a), (b) or (c); or
 - (b) for the settlement of an Aboriginal land claim, including for the purposes of an interim measure pending the settlement of a land claim, or the implementation of an Aboriginal land claim agreement, Settlement Agreement, treaty or Self-Government Agreement.
- 5.38 The Devolution Agreement will provide that the Governor in Council may prohibit any use of Waters or the deposit of waste into Waters if Canada considers that:
 - (a) such use of Waters, or such deposit of waste into Waters, would be incompatible with or would interfere with a particular undertaking which is in the national interest; or

- (b) the prohibition is required for the settlement of an Aboriginal land claim, including for the purposes of an interim measure pending the settlement of a land claim, or the implementation of an Aboriginal land claim agreement, Settlement Agreement, treaty or Self-Government Agreement.
- 5.39 Prior to making a prohibition referred to in 5.37 or 5.38, Canada shall:
 - (a) notify the GNWT and affected Aboriginal Organizations of the proposed prohibition and consult with the GNWT and affected Aboriginal Organizations regarding:
 - (i) the boundaries and quantum of land to be subject to the proposed prohibition;
 - (ii) the location of Waters to be subject to the proposed prohibition; and
 - (iii) the interests or activities for which the issuance or authorization would be prohibited; and
 - (b) notify the public of the proposed prohibition and consider representations received within a reasonable time following such notice.
- 5.40 The relinquishment of administration and control by the Commissioner, the taking of administration and control of lands and rights in respect of Waters by Canada, the prohibition of the issuance of interests in land or of the authorization of activities thereon, and the prohibition of any use of Waters or deposit of waste into Waters shall, subject to 5.41, be without expenditures of monies by, or compensation to, the GNWT.
- 5.41 The Devolution Agreement shall provide that where Canada takes administration and control of lands pursuant to 5.30, 5.33 or 5.35, Canada shall compensate the GNWT for any improvements made by the GNWT to such lands.
- 5.42 The Devolution Agreement shall provide for the terms on which the compensation referred to in 5.41 shall be determined.
- 5.43 Lands and rights in respect of Waters:
 - (a) relinquished to Canada pursuant to 5.30 or 5.33; or
 - (b) taken back by Canada pursuant to 5.35

shall be subject to any third party interests, including Existing Interests.

Norman Wells Oil Field

5.44 The Parties acknowledge that although Canada's one-third ownership in the Norman

Wells Proven Area is not to be transferred to the GNWT under the Devolution Agreement, the Parties agree to discuss this matter further in the negotiations of the Devolution Agreement.

Future Transfers to the Commissioner

5.45 Subject to the agreement of the GNWT, where Canada determines it no longer requires lands or rights in respect of Water referred to in 5.27, 5.30, 5.33 or 5.35 Canada may transfer administration and control of those lands or rights in respect of Waters to the Commissioner.

Security

5.46 The Devolution Agreement shall contain provisions dealing with any security taken by Canada up to the Effective Date in connection with the administration of Public Lands and rights in respect of Water.

Receivables, Payables, Royalties, Rentals and Dues

- 5.47 Canada shall:
 - (a) be responsible for all NAO-related accounts payable which are in respect of a time frame prior to the Effective Date, including accounts for goods and services purchased, leased or obtained by other arrangements; and
 - (b) receive from the GNWT any NAO-related account receivable, royalty, rental, due, fee or other charge that is in respect of the time period prior to the Effective Date.
- 5.48 Canada shall remit to the GNWT any royalty, rental, due, fee or other charge, excluding taxes, in relation to Public Lands and rights in respect of Waters that Canada may receive and is in respect of the time frame following the Effective Date.

Procedures for Collection and Reconciliation of Accounts

5.49 Canada and the GNWT shall determine, and set out in the Devolution Agreement, procedures for the collection and reconciliation of any amounts payable or receivable pursuant to 5.47 or 5.48.

Applications

5.50 The Devolution Agreement shall contain provisions dealing with any application pending on the Effective Date made in connection with the administration of Public Lands and rights in respect of Water.

Board Membership

5.51 The Devolution Agreement shall contain provisions addressing the continuity and composition of boards related to the administration of Public Lands and rights in respect

of Water.

Proceedings and Enforcement

- 5.52 Canada shall remain responsible for enforcement actions commenced by Canada prior to the Effective Date under an Act of Parliament, which is repealed or replaced upon the Effective Date as a result of the Devolution Agreement, which are before a court, but not yet resolved at the Effective Date.
- 5.53 As of the Effective Date, the GNWT shall be responsible for determining whether to commence or continue enforcement actions under an Act of Parliament which is repealed or replaced upon the Effective Date as a result of the Devolution Agreement, other than those referred to in 5.52.

Unauthorized Users

5.54 Unauthorized occupiers or users of Public Lands and Water are a subject matter to be addressed in the negotiation of the Devolution Agreement.

Post-devolution Canada GNWT Resource Development Cooperation

- 5.55 Canada and the GNWT acknowledge their mutual desire to pursue a post-devolution relationship guided by the following principles:
 - (a) Canada and the GNWT acknowledge that it is in their mutual interest that the economic potential of the NWT be realized in a sustainable way and that NWT residents and all Canadians participate in and benefit from development;
 - (b) Canada and the GNWT recognize it is in their mutual interest to work together for a prosperous future for NWT residents and all Canadians;
 - (c) it is important to facilitate the strategic development of significant resource projects of national importance in the NWT; and
 - (d) the different resource development infrastructure and investment requirements in the NWT may require a tailored response by Canada and the GNWT:
- 5.56 As soon as is practicable after the signing of this Agreement-in-Principle by Canada and the GNWT, Canada and the GNWT agree to enter into negotiations for the purpose of formalizing a cooperative arrangement based on the principles described above.
- 5.57 The arrangement referred to in 5.56 will not create any legally binding obligations.
- 5.58 Nothing in the arrangement shall be construed as diminishing the responsibility of the Commissioner in respect of the administration and control of Public Land and rights in respect of Waters.

POST-DEVOLUTION RESOURCE MANAGEMENT

- 6.1 For the purposes of this Chapter, "Aboriginal Party" means a party, other than the GNWT, to the bi-lateral agreement referred to in 6.3.
- For the purposes of this Chapter "management of Public Lands and Settlement Lands and rights in respect of Water" means the management of:
 - (a) those forms of natural resources on, in or under Public Lands and Waters, which natural resources are subject to the transfer of administration and control in 5.1; and
 - (b) the same forms of natural resources described in 6.2(a), which natural resources are located on, in or under Settlement Lands.
- 6.3 The Devolution Agreement shall contain, as an appendix, a bilateral agreement among the GNWT and Aboriginal Parties, setting out a government to government relationship, which provides for mechanisms, for coordination and cooperation with respect to the management of Public Lands and Settlement Lands and rights in respect of Water.
- 6.4 The bilateral agreement referred to in 6.3 shall describe the government to government relationship, and shall establish a forum, which promotes the development of a management regime in respect of Public Lands and Settlement Lands and rights in respect of Water that among other things:
 - (a) allows for consultation and participation in agreed to functions of the different governments with respect to the management of Settlement Lands, Public lands and rights in respect of Water.
 - (b) is affordable, effective and coordinated;
 - (c) fosters sustainable development;
 - (d) promotes the harmonization of legislation, policy and programs in areas of common interest;
 - (e) honours Aboriginal and treaty rights; and
 - (f) ensures that the management of Public Lands and rights in respect of Waters occurs in a manner that is in keeping with the honour of the Crown.

- 6.5 The government to government relationship referred to in 6.3 will respect the jurisdictions of the GNWT and Aboriginal Parties and will be guided by the following principles:
 - (a) the management of Public Lands and rights in respect of Waters are for the benefit of all residents of the NWT through structures of public government;
 - (b) the management of Public Lands and rights in respect of Waters are to be under a system of common policies and legislation that can accommodate regional diversity; and
 - (c) cooperation in and coordination of resource management responsibilities among the GNWT and Aboriginal Parties should be determined, in part, by common interests, including:
 - (i) sustainable development;
 - (ii) capacity-building;
 - (iii) strategic advantages;
 - (iv) economic competitiveness; and
 - (v) other areas of efficiency and effectiveness.
- 6.6 The bilateral agreement referred to in 6.3 shall contain provisions:
 - (a) committing the GNWT and Aboriginal Parties to a review of land and resource management systems and where appropriate proposing changes to the systems and legislation, within a specified period of time from and after the Effective Date; and
 - (b) addressing the involvement of Aboriginal Parties with the GNWT for the purposes of ensuring the interests of an Aboriginal Party are considered under the cooperative arrangement referred to in 5.56.
- 6.7 The Devolution Agreement shall provide for financial resources in agreed amounts from Canada for the implementation of the bilateral agreement referred to in 6.3.
- 6.8 The bilateral agreement referred to in 6.3 shall provide that the forum will develop protocols addressing the manner in which territorial legislation in respect of lands and resources and the exercise of authority pursuant to that legislation can be consistent with the duties associated with the honour of the Crown.
- 6.9 The protocols referred to in 6.8 shall contain recommendations as to the manner in which those protocols shall be implemented.

- 6.10 The protocols referred to in 6.8 shall be in addition to any requirement or obligation under a Settlement Agreement or Self-Government Agreement.
- 6.11 Nothing in this Chapter shall be construed so as to preclude the GNWT and an Aboriginal Party from entering into agreements respecting the management of Public Lands and Settlement Lands and rights in respect of Water.

ADMINISTRATION OF OIL AND GAS RESOURCES AMONG ONSHORE AND OFFSHORE JURISDICTIONS

- 7.1 In this Chapter "parties" means Canada, the GNWT and the Inuvialuit Regional Corporation ("IRC") and "party" means any one of them.
- 7.2 The objective of this Chapter 7 is, in the interest of good governance, sound Oil and Gas resource management and sustainable development, to make provision for coordination and cooperation between the respective post-devolution jurisdictions in respect of Oil and Gas resource management and administration, particularly in areas where Oil and Gas resources straddle, or potentially straddle, the Onshore and the offshore.
- 7.3 Coordination and cooperation among Onshore and offshore Oil and Gas jurisdictions is desirable to provide for the orderly development of Oil and Gas resources, particularly in areas where Oil and Gas resources straddle, or potentially straddle, the Onshore and the offshore.
- 7.4 The parties shall consult with each other in regard to the development of, or changes to, the respective Oil and Gas policies or legislation of Canada or the GNWT, and in the case of the IRC its policies and procedures of a similar order, including, without limiting the generality of the foregoing, in regard to:
 - (a) rights issuance processes;
 - (b) the regulation of operations relating to Oil and Gas exploration, development, production and transportation; and
 - (c) royalty regimes.
- 7.5 The Devolution Agreement shall set out the processes for the consultations referred to in section 7.4, which shall include:
 - (a) a requirement for each party to provide to the other parties advance written notice of policy or legislative developments or changes being considered by that party, in sufficient form and detail to allow a consulted party to prepare its views on the matter;
 - (b) a reasonable opportunity for a consulted party to review and to discuss with the consulting party, in advance of a decision on the matter, the implications of the proposed policy or legislative changes;
 - (c) a full and fair consideration by the consulting party of any comments presented by a consulted party, in advance of a decision on the matter; and

- (d) such other terms as the parties may agree will facilitate such consultations.
- 7.6 The parties commit to conduct such joint or coordinated public consultations as they may mutually consider appropriate from time to time, seeking input from industry, other stakeholders and other members of the public, in regard to the proposed development of, or changes to, their respective Oil and Gas policies, procedures or legislation.
- 7.7 As soon as practicable after the signing of this Agreement-in-Principle, the parties shall commence negotiation of an agreement or agreements for coordination and cooperation among Onshore and offshore Oil and Gas jurisdictions, particularly in areas where Oil and Gas resources straddle or potentially straddle the Onshore and offshore, in respect of each of the following:
 - (a) management of Oil and Gas rights, interests or instruments, including:
 - (i) terms and conditions, timing and location of issuance of rights or interests;
 - (ii) terms and conditions of licences, including duration, work requirements and rentals;
 - (iii) allowable expenditures for exploration activities;
 - (iv) consolidation or amendment of licences;
 - (v) consideration of obligations and practices under the Inuvialuit Final Agreement; and
 - (vi) declarations of significant and commercial discovery;
 - (b) regulation of operations relating to Oil and Gas exploration, development, production and transportation, including:
 - (i) health and safety;
 - (ii) inspection of equipment and certification of equipment/equivalencies;
 - (iii) administration of financial responsibility;
 - (iv) benefit requirements;
 - (v) program authorizations, program monitoring, program reporting requirements, curation of program reports and data, and data release;
 - (vi) determinations of scope of discovery;
 - (vii) development plans;

- (viii) spacing, pooling and unitization; and
- (ix) regulations related to spills, debris and emergencies;
- (c) Oil and Gas royalty administration, including:
 - (i) reporting and filing;
 - (ii) treatment of costs; and
 - (iii) calculation, collection, disbursement and audit of revenues from Oil and Gas resources that straddle the Onshore and the offshore; and
- (d) such other matters as the parties may agree.
- 7.8 The Agreements referred to in section 7.7 shall:
 - (a) be concluded prior to the signing of the Devolution Agreement and shall have effect as of the Effective Date; and
 - (b) provide within their terms for the creation of processes and, where appropriate, mechanisms for coordination and cooperation among Onshore and offshore Oil and Gas jurisdictions in order to:
 - (i) facilitate the orderly development of Oil and Gas resources, particularly in areas where the Oil and Gas resources straddle or potentially straddle the Onshore and offshore;
 - (ii) provide for the effective administration and management of such Agreements; and
 - (iii) meet such further or other objectives as the parties may agree.

WASTE SITES

General Provisions

- 8.1 The Management and Remediation of Waste Sites is integral to the management of land and waters and to the protection of the environment and human health and safety.
- 8.2 Other than as set out in the Devolution Agreement, nothing in the Devolution Agreement shall affect any liability, obligation or responsibility of any person legally responsible for the care and maintenance or Remediation of any site.

Responsibility for Waste Sites

- 8.3 The Parties shall set out in the Devolution Agreement an allocation of responsibility for the Management of Waste Sites based upon the following principles:
 - (a) Canada will be responsible for the Management of Waste Sites on Public Lands which were wholly created prior to the Effective Date;
 - (b) the GNWT will be responsible for the Management of Waste Sites on Public Lands which were wholly created after the Effective Date;
 - (c) the responsibility for the Management of Waste Sites on Settlement Lands shall, subject to the terms of any Settlement Agreement, be as follows:
 - (i) Waste Sites on Public Lands wholly created before the Effective Date and before the date such lands became Settlement Lands will be the responsibility of Canada;
 - (ii) Waste Sites on Settlement Lands wholly created before the Effective Date that result from an Encumbering Right will be the responsibility of Canada;
 - (iii) Waste Sites on Settlement Lands wholly created after the Effective Date that result from an Encumbering Right will be the responsibility of the GNWT:
 - (iv) Waste Sites on Public Lands wholly created after the Effective Date and before the date such lands became Settlement Lands will be the responsibility of the GNWT;
 - (v) Waste Sites on Commissioner's Lands wholly created before the date such lands became Settlement Lands will be the responsibility of the GNWT; and

- (vi) subject to paragraphs (ii), (iii) and (d), Waste Sites on Settlement Lands after the date such lands became Settlement Lands will be the responsibility of the affected Aboriginal Party;
- (d) the Devolution Agreement shall contain terms respecting responsibility for Waste Sites created, after the date lands became Settlement Lands, by the exercise of sub-surface rights granted by Canada or the GNWT on Settlement Lands where title to the sub-surface is not vested in an Aboriginal Party pursuant to a Settlement Agreement;
- (e) responsibility for the Remediation of Waste Sites resulting from Operating Sites not included on the appendix to the Devolution Agreement referred to in paragraph (f) shall be apportioned between or among Canada, the GNWT or an affected Aboriginal Party based on the degree any Impacts are attributable to Alterations made prior or subsequent to the Effective Date, as determined pursuant to such terms as the Parties may agree, which may include base-line studies; and
- (f) notwithstanding any term of this Agreement-in-Principle or the Devolution Agreement, the GNWT shall be responsible for the Remediation of those Operating Sites:
 - (i) where the original approval has been subject to an environmental assessment panel review under the *Environmental Assessment and Review Process Guideline Order*, June 21, 1984, an assessment by a review panel or comprehensive study pursuant to the *Canadian Environmental Assessment Act* (Canada), or an environmental assessment or an environmental impact review pursuant to the *Mackenzie Valley Resource Management Act* (Canada);
 - (ii) which have been subject to Parts 3 or 4 of the *Mackenzie Valley Resource Management Act* (Canada), if applicable;
 - (iii) are subject to posted security in the amounts determined in the processes pursuant to (i) or (ii) above; and
 - (iv) are in material compliance with applicable laws, regulations, permits and licences related to land or water use;

and such sites shall be identified and listed on an appendix to the Devolution Agreement.

Excepted Waste Sites

Where, prior to the Effective Date, rights in the sub-surface of Commissioner's Lands were under the administration and control of Canada and sub-surface rights were issued

by Canada and exercised by the holder of such rights, responsibility for the Management of such Waste Sites is not subject to this Agreement-in-Principle or the Devolution Agreement and shall be determined pursuant to separate negotiations between Canada and the GNWT. Canada and the GNWT shall consult with any affected Aboriginal Organization in respect of such negotiations.

8.5 The Parties acknowledge that responsibility for the Remediation of Waste Sites at the former Giant Mine is subject to the *Cooperation Agreement Respecting the Giant Mine Remediation Project* made between Canada and the GNWT and is not subject to this Agreement-in-Principle or the Devolution Agreement.

Identification and Categorization of Waste Sites

- 8.6 The responsibility for the identification of (i) Waste Sites wholly created before the Effective Date and (ii) Operating Sites, shall be discharged in accordance with 8.7 to 8.15.
- 8.7 As soon as is practicable after the signing of this Agreement-in-Principle, Canada will develop, at its own expense, a preliminary inventory of Waste Sites.
- 8.8 In compiling such preliminary inventory of Waste Sites pursuant to section 8.7, Canada will compile an initial summary review and analysis of its historical and current records and data related to Waste Sites. Such summary analysis shall include, to the extent currently available, in respect of each Waste Site inventoried:
 - (a) its location;
 - (b) the nature of the site;
 - (c) a summary of the information known to Canada about the Waste Site including: geographic location, former use, current use or status, known Alterations, ground and water analysis, and proximity to other known sites and to communities; and
 - (d) such other relevant information as may be available.
- As soon as is practicable after the signing of this Agreement-in-Principle, Canada will provide to the other Parties a preliminary list of current Operating Sites.
- 8.10 Canada shall share its preliminary inventory and summary analysis of Waste Sites with the other Parties for their review and in order for the Parties to jointly update and further develop such inventory and summary analysis.
- 8.11 In order to facilitate the review and further development of the inventory and summary analysis described in section 8.8, the Parties agree to:
 - (a) establish a working group, which shall include a knowledgeable person designated by each Party, to establish protocols to govern, and to work as a group to facilitate, the joint review and further development of the inventory and

- summary analysis of Waste Sites described in section 8.8; and
- (b) make available to the other Parties through such working group, in accordance with its established protocols, any information in its possession or control related to Waste Sites, including traditional knowledge, community concerns and any other additional information known about the inventoried Waste Sites or about any other Waste Site.
- 8.12 Based upon and taking into account the exchange of information pursuant to sections 8.10 and 8.11, the working group referred to in 8.11 shall update the inventory and summary analysis of Waste Sites to take into account any material additional information.
- 8.13 While completing the inventory and summary analysis of Waste Sites, the working group referred to in 8.11 shall categorize the Waste Sites in accordance with the following:
 - (a) those which contain minimal contamination or risk of hazard to the environment or to human health or safety;
 - (b) those which contain moderate contamination or risks of hazard to the environment or to human health or safety;
 - (c) those which contain significant or complex contamination or risks of hazard to the environment or to human health or safety; and
 - (d) those Waste Sites within the foregoing categories which are located on Public Lands and those which are located on Settlement Lands.
- 8.14 While completing the inventory and summary analysis of Waste Sites, the working group referred to in 8.11 shall identify and list those sites that have been satisfactorily Remediated and Waste Sites that do not require Remediation.
- 8.15 The inventory and categorization of Waste Sites described in sections 8.7 to 8.14 shall be completed prior to the signing of the Devolution Agreement, which inventory and categorization shall form the basis for a schedule that shall be appended to the Devolution Agreement.
- 8.16 The Parties shall establish an oversight committee in respect of the inventory and categorization of Waste Sites, comprised of a senior official designated by each of the Parties, which committee shall:
 - (a) oversee and provide direction to the working group referred to in 8.11; and
 - (b) attempt to resolve any disputes in respect of the inventory or categorization of Waste Sites described in 8.7 to 8.14 that the working group referred to in 8.11 is unable to resolve.

Unknown Waste Sites

8.17 The Devolution Agreement shall set out the process for determining responsibility for the Remediation of Waste Sites not included on the inventory of Waste Sites scheduled to the Devolution Agreement or otherwise not known to the Parties at the Effective Date. Such process shall be in accordance with the principles set out in 8.3 and the approach or approaches for the Remediation of Waste Sites determined by the Parties pursuant to 8.18.

Approaches to Remediation

- 8.18 The Parties shall set out in the Devolution Agreement the approach or approaches for the Remediation of Waste Sites. Such approaches may include:
 - (a) an allocation of responsibility for the Remediation of Waste Sites among the parties based on a categorization of Waste Sites having regard to the cost, complexity and the relative efficiency of the cost and performance of the Remediation of such Waste Sites;
 - (b) a cooperative approach to the Remediation of Waste Sites taking into account the responsibilities set out in the principles in 8.3, which cooperative approach may include the assumption, in whole or in part, by the GNWT or affected Aboriginal Organizations, by contract or otherwise, of Canada's responsibilities in respect of the Remediation of Waste Sites; or
 - (c) such other approaches as the Parties may agree.
- 8.19 Notwithstanding the approach the Parties may set out in the Devolution Agreement pursuant to 8.18, Canada shall be responsible for the cost of Remediation of Waste Sites on Public Lands or Settlement Lands to the extent that responsibility for the Remediation of such sites is apportioned to Canada pursuant to the principles set out in 8.3.
- 8.20 Notwithstanding the approach the Parties may set out in the Devolution Agreement pursuant to 8.18, Canada shall be responsible for the cost of the Remediation of Waste Sites resulting from Operating Sites to the extent that responsibility for such sites is apportioned to Canada pursuant to the process referred to in 8.3(e).
- 8.21 The Devolution Agreement shall set out how Canada shall meet its funding obligations referred to in 8.19 and 8.20, which may include one-time or ongoing funding or payments pursuant to contractual arrangements, as the Parties may agree.

Standards

- 8.22 Remediation for which Canada is responsible shall be based on those standards in federal legislation or regulations, in respect of a hazard to the environment or human health or safety, which exist at the time such Remediation is performed.
- 8.23 Where no applicable standards referred to in 8.22 exist at the time Remediation for which Canada is responsible is performed, such Remediation shall, at the discretion of Canada, be based on any or a combination of standards in respect of a hazard to the environment or human health or safety:
 - (a) in territorial legislation or regulations as such standards exist at the time such Remediation is performed; or
 - (b) set out in the CCME Guidelines in conjunction with the risk assessment framework set out in such guidelines; or
 - (c) as may be agreed between Canada, the GNWT and, where the Remediation is in respect of Settlement Land, any affected Aboriginal Organization.
- 8.24 The Devolution Agreement shall set out provisions requiring Canada and the GNWT to consult with each other prior to introducing or amending the standards referred to in 8.22 or 8.23(a).

Consultation/Cooperation

- 8.25 The Devolution Agreement shall set out the protocols for consultation and cooperation among the Parties with respect to the Remediation of Waste Sites.
- 8.26 The protocols for consultation and cooperation referred to in 8.25 shall reflect the approach to the Remediation of Waste Sites set out in the Devolution Agreement pursuant to 8.18 of this Agreement-in-Principle.

Non-Issuance of Rights

- 8.27 Unless otherwise agreed by Canada and the GNWT, any prohibition or withdrawal order made pursuant to the *Territorial Lands Act* (Canada), *Canadian Petroleum Resources Act* (Canada), or the *Northwest Territories Waters Act* (Canada) which is in effect immediately prior to the Effective Date in respect of any Waste Site for which Canada is responsible shall, as of the Effective Date, be replaced pursuant to applicable territorial legislation and shall remain in effect at least until Canada notifies the GNWT that all Impacts at the site have been Remediated.
- 8.28 Upon request from Canada, the GNWT shall prohibit the issuance of interests or the authorization of the conduct of activities or operations under territorial legislation at any Waste Site for which Canada is responsible, where Canada determines that such

prohibition is required to carry out or to minimize any Remediation required at that site. Such prohibition shall remain in effect at least until Canada notifies the GNWT that all Impacts at the site have been Remediated.

Releases

- 8.29 The Devolution Agreement will provide that as of the Effective Date, Canada shall be deemed to be released of any responsibility for Remediation in respect of Released Sites.
- 8.30 If, without the agreement of Canada, a prohibition or withdrawal order is not replaced pursuant to 8.27 or does not remain in effect in respect of a site until Canada notifies the GNWT that all Impacts at that site have been Remediated and such failure on the part of the GNWT results in further Alterations at that site, Canada shall be deemed to be immediately released of any further obligation in respect of that Waste Site.
- 8.31 If the GNWT does not comply with a request by Canada for a prohibition pursuant to 8.28 within a reasonable time, or the GNWT does not cause the prohibition to remain in effect until Canada notifies the GNWT that all Impacts at the site have been Remediated and such failure on the part of the GNWT results in further Alterations at that site, Canada shall be deemed to be immediately released of any further obligation in respect of that Waste Site.
- 8.32 Where the GNWT or any Aboriginal Organization grants or issues any lease, license, permit or other interest or authorization or conducts an activity that materially interferes with the Management of any Waste Site for which Canada is responsible, then Canada shall be deemed to be immediately released of any further obligation in relation to that Waste Site.
- 8.33 The Devolution Agreement shall set out such other terms upon which Canada may be released by the GNWT or an Aboriginal Organization from responsibility for the Remediation of a Waste Site where such Waste Site has been Remediated to the applicable standards set out in 8.22 or 8.23.

Security Deposits

8.34 The Devolution Agreement shall set out provisions with respect to any security deposits held by Canada, the GNWT or any Aboriginal Organization relating to Waste Sites or Operating Sites.

Warranties

8.35 The Devolution Agreement may include warranties in respect of Waste Sites.

Indemnities

8.36 The Devolution Agreement may include indemnities in respect of Waste Sites.

Access

- 8.37 Canada shall have the right to access Public Lands and Waters and the right to use natural resources in or on Public Lands in order to fulfill its responsibilities in respect of the Management of Waste Sites on Public Lands.
- 8.38 Except as the Parties may agree in the Devolution Agreement, there shall be no rental, fee, charge or other compensation payable by Canada for the exercise of the right of access or the use of natural resources pursuant to section 8.37 or for any cost incurred by the GNWT in relation to such natural resources or access.
- 8.39 The Devolution Agreement shall set out:
 - (a) such reasonable requirements on Canada to provide notice to the GNWT in respect of its exercise of the right of access and right to the use of natural resources referred to in 8.37, on such terms as the GNWT and Canada shall agree; and
 - (b) such reasonable requirements for approval by the GNWT in respect of the exercise of Canada's right to the use of natural resources referred to in 8.37 which are not located on a Waste Site that Canada is Remediating, on such terms as the GNWT and Canada shall agree.
- 8.40 The responsibility of Canada or the GNWT in respect of the Management of Waste Sites on Settlement Lands set out in principle herein, and any obligations of Canada or GNWT under the Devolution Agreement in respect of the Management of Waste Sites on Settlement Lands, are subject to agreement between Canada or the GNWT and any affected Aboriginal Organization in respect of the right to access to such Settlement Lands and the right to use natural resources in, on or under such Settlement Lands in order to fulfill such obligations. The Devolution Agreement shall set out the terms of any such agreements.

Economic Opportunities

8.41 Canada and the GNWT will endeavour to provide economic opportunities for businesses in Northwest Territories and Aboriginal businesses related to the Remediation of Waste Sites in accordance with their respective legislation and contracting policies.

Dispute Resolution

- 8.42 The Devolution Agreement shall provide that any dispute arising in respect of Waste Sites that the Parties are unable to resolve at a working level, shall be forwarded to a committee of senior officials comprised of one senior official designated by each of Canada, the GNWT and any affected Aboriginal Organization for discussion. Such committee of senior officials shall attempt to resolve such dispute.
- 8.43 The Devolution Agreement shall further provide that those matters of dispute as shall be

set out in the Devolution Agreement that the Parties are unable to resolve pursuant to the provisions of 8.42, may be referred to a formal dispute resolution mechanism as shall be set out in the Devolution Agreement.

HUMAN RESOURCES

9.1 The objective of this Chapter 9 is to ensure that the GNWT has, as at the Effective Date, a knowledgeable, experienced and stable workforce that provides a continuity of program and service delivery in respect of the administration of Public Lands and rights in respect of Waters through maximizing Affected Federal Employee acceptance of job offers from the GNWT.

Human Resources Work Plan

- 9.2 Canada and the GNWT agree to work cooperatively during the period between the signing of this Agreement-in-Principle and the Effective Date to ensure the orderly management of human resources matters, with such cooperation to include the establishment, as soon as is practicable after the signing of this Agreement-in-Principle, of a human resources working group comprised of representatives from Canada and the GNWT.
- 9.3 The Human Resources working group will develop a Human Resources Work Plan to ensure the effective management of human resource matters. The plan will set out the nature, timing and responsible government in respect of activities to be undertaken between this Agreement-in-Principle and the Effective Date to effect the transition to the GNWT of Affected Federal Employees who accept job offers.
- 9.4 As soon as is practicable after the Agreement-in-Principle is signed, Canada will, subject to any privacy restrictions, provide to the GNWT, for the purposes of human resource planning and organizational design, information in respect of the location, responsibilities and position evaluation of NAO positions related to the administration and control of Public Lands and rights in respect of Waters.
- 9.5 As soon as is practicable after the signing of this Agreement-in-Principle, the GNWT will develop its organizational structure and provide it to the other Parties.
- 9.6 Canada agrees to inform the GNWT of any material organizational changes affecting NAO in the NWT prior to the Effective Date.

Offers of Employment

- 9.7 Every full-time Affected Federal Employee shall receive an offer of full-time indeterminate employment from the GNWT and every part-time Affected Federal Employee shall receive an offer of not less than equivalent part-time indeterminate employment from the GNWT, no later than 6 months prior to the Effective Date.
- 9.8 Canada shall, subject to any privacy restrictions, provide to the GNWT information necessary for the purposes of completing the job offers referred to in 9.7.

- 9.9 GNWT offers of employment to each Affected Federal Employee shall:
 - (a) match as closely as possible the functions, authorities and location of the substantive position held by that Affected Federal Employee immediately prior to the offer of employment;
 - (b) meet or exceed the requirements of a Type 2 alternative delivery initiative pursuant to Part VII of the Federal Workforce Adjustment Directive or equivalent provisions of any collective agreement applicable to such employee; and
 - (c) provide salary and benefits to each Affected Federal Employee that are reasonably comparable to the salary and benefits of that Affected Federal Employee immediately prior to the Effective Date.
- 9.10 For the purposes of 9.9(c), Canada and the GNWT shall determine prior to the signing of the Devolution Agreement:
 - (a) the salary and benefits to which each Affected Federal Employee is entitled immediately prior to the Effective Date and the salary as calculated pursuant to the GNWT universal pay system and those GNWT benefits to which each Affected Federal Employee will be entitled immediately after the Effective Date; and
 - (b) the manner in which the reasonably comparable salary and benefits to be offered by the GNWT to each Affected Federal Employees shall be structured.
- 9.11 For the purpose of determining the structure of reasonably comparable salary and benefits pursuant to 9.10(b) any entitlement of an Affected Federal Employee to receive removal benefits or severance payments from Canada immediately prior to the Effective Date shall not be taken into account.
- 9.12 Each Affected Federal Employee shall have sixty (60) calendar days to accept in writing the offer of employment referred to in 9.7.
- 9.13 Each Affected Federal Employee who accepts an offer of employment from the GNWT shall:
 - (a) be eligible to participate in the health care, disability, life insurance, death benefits, dental, pension plans, and other applicable GNWT benefits pursuant, where applicable, to the GNWT Union of Northern Workers Collective Agreement, Excluded Employees' Handbook or Senior Managers' Handbook, without any applicable waiting periods, unless an employee is subject to a waiting period immediately prior to Effective Date;
 - (b) not be subject to a probationary period unless an employee is subject to a probationary period with Canada immediately prior to Effective Date, in which

case the probationary period of that employee with the new employer will be no longer than the remainder of that probationary period;

- (c) be entitled to GNWT benefits based on the aggregate of that employee's:
 - (i) Federal Service, and
 - (ii) continuous employment with the GNWT after the Effective Date.
- (d) on the Effective Date, in addition to vacation leave advanced under 9(13)(e), be credited by the GNWT with vacation leave credits equal to the federal vacation leave credits earned and unused by the Affected Federal Employee immediately prior to the Effective Date, up to a maximum of one year's entitlement of vacation leave credits determined at the applicable GNWT accrual rate;
- (e) on the Effective Date, be advanced by the GNWT one year's entitlement of vacation leave, calculated, where applicable, in accordance with the GNWT Union of Northern Workers Collective Agreement, Excluded Employees' Handbook, or Senior Managers' Handbook, on the basis of that employee's Federal Service; and
- (f) as of the Effective Date, be entitled to sick leave credits equal to the amount of earned and unused sick leave available to the Affected Federal Employee immediately prior to the Effective Date, and begin to accrue sick leave in accordance with, where applicable, the GNWT Union of Northern Workers Collective Agreement, Excluded Employees' Handbook or Senior Managers' Handbook.
- 9.14 Each Affected Federal Employee's unused federal vacation leave credits in excess of those referred to in 9.13 (d) shall be paid out in full by Canada to that Affected Federal Employee upon his or her termination by Canada.
- 9.15 Any obligations in respect of the entitlement of each Affected Federal Employee to receive severance payments prior to the Effective Date shall be to the account of Canada and the GNWT shall have no obligation or liability in respect thereof.
- 9.16 With respect to pension plans and for the purposes of the *Public Service Superannuation Act* (Canada), the employment of each Affected Federal Employee who accepts an offer of employment from the GNWT shall be deemed not to be interrupted by reason of that employee's termination of employment with Canada as a result of devolution.
- 9.17 Without obligations of any kind on Canada or the GNWT, the GNWT will consider offering employment to federal term employees affected by the transfer of administration and control referred to in 5.1.

GNWT Collective Agreement

9.18 Canada and the GNWT acknowledge that they must obtain the consent of the parties to the GNWT Collective Agreement in respect of any amendments to that agreement that are required to implement the provisions of this Chapter.

NAO PROPERTIES, ASSETS, CONTRACTS AND RECORDS

Federal Buildings

- 10.1 The Devolution Agreement shall provide for the transfer of the administration and control of Listed Federal Buildings to the Commissioner.
- 10.2 Canada and the GNWT acknowledge that the list of Federal Buildings attached hereto as Appendix 1 to this Chapter is a preliminary list and subject to amendment prior to finalization.
- 10.3 Canada, in consultation with the GNWT, shall develop a list of Federal Buildings to be transferred pursuant to 10.1, which list shall be finalized prior to the signing of the Devolution Agreement and shall be appended to and form part of the Devolution Agreement.
- Where NAO is the occupant of premises in a Federal Building under the administration and control of DIAND which Federal Building is not a Listed Federal Building, DIAND and the GNWT shall enter into an agreement for occupancy prior to the Effective Date, which agreement, unless otherwise agreed, shall:
 - (a) take effect as of the Effective Date;
 - (b) provide for the occupancy by the GNWT of the premises which were occupied by NAO prior to the Effective Date, in respect of responsibilities transferred pursuant to the Devolution Agreement;
 - (c) provide for the term for which the agreement shall remain in effect; and
 - (d) provide for terms and conditions of the GNWT's occupancy based on commercial lease practices in respect of similar premises.
- 10.5 Where Canada continues to require premises within a Listed Federal Building for its functions after the Effective Date, the GNWT shall, upon request by Canada, enter into an agreement for occupancy with Canada, prior to the Effective Date, which agreement unless otherwise agreed, shall:
 - (a) take effect as of the Effective Date;
 - (b) provide for the occupancy of the premises which were occupied by Canada prior to the Effective Date;
 - (c) provide for the term for which the agreement shall remain in effect; and

- (d) provide for terms and conditions of Canada's occupancy based on commercial lease practices in respect of similar premises.
- 10.6 As soon as is practicable after the signing of this Agreement-in-Principle, Canada shall provide to the GNWT in respect of each Listed Federal Building:
 - (a) any building condition report or Environmental Site Assessment which Canada possesses, or comes to possess; and
 - (b) a list of any hazardous material known to Canada to exist.
- 10.7 Canada shall provide the GNWT reasonable opportunity to conduct inspections of any Listed Federal Building and such inspections shall be scheduled in a manner that minimizes disruption to Canada's operations.
- 10.8 Canada will continue its regular scheduled maintenance of Listed Federal Buildings until the Effective Date.
- 10.9 In respect of each Listed Federal Building Canada shall, as soon as practicable following the signing of the Devolution Agreement, provide the GNWT with a current Phase I Environmental Site Assessment report.
- 10.10 Where any Phase I Environmental Site Assessment referred to in 10.15 indicates a likelihood of contamination, a higher level Environmental Site Assessment shall be undertaken by Canada and provided to the GNWT as soon as is practicable after receipt of the Phase 1 Environmental Site Assessment, and in any event no later than the Effective Date.
- 10.11 Canada shall be responsible for the remediation, in accordance with CCME Guidelines, of any deficiencies identified under an Environmental Site Assessment report referred to in 10.9 or 10.10.
- 10.12 Canada shall endeavour to complete the remediation referred to in 10.11 prior to the Effective Date. Where such remediation is not completed prior to the Effective Date, Canada shall:
 - (a) complete the remediation as soon as practicable after the Effective Date; or
 - (b) subject to agreement by the GNWT, pay to the GNWT funds in lieu of Canada completing the remediation referred to in 10.11.
- 10.13 In respect of each Listed Federal Building that is under the administration and control of Public Works Canada, Canada will provide to the GNWT ongoing:
 - (a) payment in lieu of taxes funding; and

(b) operations and maintenance funding,

in an amount equal to the amount Public Works Canada was funded for the Listed Federal Building immediately prior to the Effective Date.

- 10.14 The GNWT and Canada shall agree to an estimated replacement cost for each Listed Federal Building having regard to the location, size, and type of the building.
- 10.15 As of the Effective Date Canada shall provide the GNWT, as annual on-going funding, an amount equal to four per cent of the sum of the replacement costs for each Listed Federal Building as determined pursuant to 10.14.

Federal Leaseholds

- 10.16 Where Public Works Canada is the lessee of premises that are:
 - (a) occupied solely by NAO in respect of responsibilities transferred pursuant to the Devolution Agreement; and
 - (b) not required for federal program purposes after the Effective Date,

such leases shall be listed in an appendix to the Devolution Agreement and the GNWT shall take an assignment of those leases.

10.17 Where:

- (a) Public Works Canada is a lessee of premises occupied, in whole or in part, by NAO in respect of responsibilities transferred pursuant to the Devolution Agreement and the retention of the leasehold interest of Public Works Canada is required, after the Effective Date, for federal program purposes; or
- (b) a Federal Building under the administration and control of Public Works Canada, which is not a Listed Federal Building, is occupied by NAO in respect of responsibilities transferred pursuant to the Devolution Agreement,

then Public Works Canada and the GNWT shall enter into an agreement for occupancy in respect of the GNWT occupancy of such premises.

- 10.18 Unless otherwise agreed by the GNWT and Public Works Canada, an agreement for occupancy referred to in 10.17 shall:
 - (a) take effect as of the Effective Date:

- (b) provide for the occupancy by the GNWT of the premises which were occupied by NAO prior to the Effective Date, in respect of responsibilities transferred pursuant to the Devolution Agreement;
- (c) provide for occupancy costs, terms and conditions equivalent to those of the NAO occupancy immediately prior to the Effective Date; and
- (d) provide for the term for which the agreement shall remain in effect; and
- (e) subject to (c), provide for other terms and conditions of the GNWT occupancy based on commercial lease practices in respect of similar premises.
- 10.19 Canada will provide on-going annual funding in an amount equal to the annual occupancy costs set out in any agreement for occupancy entered into pursuant to 10.4 and 10.17.

Moveable Assets

- 10.20 As soon as is practicable after, and in any event no later than 180 days from the signing of this Agreement-in-Principle, Canada shall provide to the GNWT a preliminary list of Movable Assets dedicated to or used by NAO in respect of responsibilities transferred pursuant to the Devolution Agreement. The list may identify or describe Moveable Assets individually, by category or by class.
- 10.21 Canada shall update the list described in 10.20 periodically and immediately prior to Effective Date.
- 10.22 Upon request by the GNWT, Canada shall provide the GNWT reasonable opportunity to inspect any Movable Asset identified or described on the list referred to in 10.20, as updated pursuant to 10.21. The GNWT and Canada agree to schedule such inspections in a manner that minimizes disruption to Canada's operations.
- 10.23 Each Movable Asset on the list referred to in 10.20, as updated pursuant to 10.21, shall, on the Effective Date, be in a state of repair adequate to meet the functional requirements related to the functions for which such asset is used by Canada immediately prior to the Effective Date.
- 10.24 Canada will continue its regular scheduled maintenance of the Movable Assets until the Effective Date.
- 10.25 On the Effective Date Canada shall transfer to the GNWT all Moveable Assets identified on the list described in 10.20, as updated pursuant to 10.21.

IT Assets

- 10.26 As soon as is practicable after the signing of this Agreement-in-Principle, Canada and the GNWT will share information related to their respective IT Assets for the purpose of planning the integration of IT Assets into the GNWT infrastructure.
- 10.27 Canada and the GNWT agree to work cooperatively during the period between the signing of this Agreement-in-Principle and the Effective Date to ensure the orderly integration of IT Assets into the GNWT infrastructure, such cooperation to include the establishment and regular meetings of a formal IT working group comprised of representatives from Canada and the GNWT.
- 10.28 As soon as is practicable after the signing of this Agreement-in-Principle, the IT working group shall develop an IT Assets work plan to address:
 - (a) the identification and evaluation of IT Assets to be transferred;
 - (b) any compatibility concerns relating to IT Assets; and
 - (c) the orderly transfer and integration of IT Assets into the GNWT infrastructure.
- 10.29 Each of Canada and the GNWT shall, during the period between signing the Agreement-in-Principle and the Effective Date, consult with the other in respect of any material investments in IT Assets.

Copyright in Publications

- 10.30 The Devolution Agreement shall provide for the assignment of copyright to, or licence of the use by, the GNWT of those works used by NAO in respect of responsibilities transferred pursuant to the Devolution Agreement.
- 10.31 Notwithstanding 10.30, only the copyright that may subsist in legends, annotations, sketches and other additions to maps listed in the appendix referred to in 10.30 created by NAO personnel are assigned, and any other copyright owned by Canada in maps, including topography information, is excluded from the assignment of copyright referred to in 10.30.
- 10.32 Nothing in 10.31 shall affect the validity of any license provided by Canada to the GNWT for the use of any map, or prevent the GNWT from obtaining such a license from Canada in relation to any map.
- 10.33 If, after the Devolution Agreement is signed, the GNWT needs, for the continued fulfilment of the responsibilities transferred to it pursuant to the Devolution Agreement, to use any work in which Canada owns copyright, Canada and the GNWT shall enter into arrangements to ensure that enough copies of the work will be made available to the

GNWT, including, but not limited to, arrangements for the assignment or licensing of copyright in such work.

Computer Programs Copyright and Licences

- 10.34 The Devolution Agreement shall provide for the assignment of copyright to, or licence of the use by, the GNWT of those computer programs used by NAO in relation to the administration and control of Public Lands and rights in respect of Waters.
- 10.35 The Devolution Agreement shall set out the terms and conditions of the assignments or licenses referred to in 10.34.
- 10.36 Where a computer program used by NAO in relation to the administration and control of Public Lands and rights in respect of Waters cannot, or the Parties agree will not, be assigned or licenced to the GNWT, the Devolution Agreement shall set out the terms upon which Canada and the GNWT shall ensure that the GNWT obtains the use of such computer program or its equivalent.

Contracts

- 10.37 Prior to the signing of the Devolution Agreement, Canada shall provide to the GNWT a list of all contracts which have been entered into by Canada with respect to responsibilities to be transferred pursuant to the Devolution Agreement which are then in effect and shall indicate on that list all those contracts, the terms of which extend beyond the Effective Date and which will be assigned to the GNWT.
- 10.38 Canada shall assign to the GNWT, as of the Effective Date, all the contracts identified as extending beyond the Effective Date pursuant to 10.37.
- 10.39 The Devolution Agreement shall set out provisions relating to the entering into or renewing of contracts by Canada related to those NAO functions that will no longer be performed by Canada after the Effective Date, the terms of which contracts extend beyond the Effective Date.
- 10.40 The Devolution Agreement shall set out provisions relating to the performance of obligations under, or deriving the benefit of, memoranda of understanding or other similar instruments pertaining to those NAO functions that will no longer be performed by Canada after the Effective Date.

Records

10.41 As soon as is practicable after the signing of this Agreement-in-Principle, Canada and the GNWT shall undertake an assessment of the records under the control of Canada related to the responsibilities to be transferred pursuant to the Devolution Agreement. The assessment shall identify:

- (a) the location of records;
- (b) the equipment and manner in which records are stored;
- (c) the frequency with which records are accessed; and
- (d) the NAO program to which records relate.
- 10.42 As the assessment described in 10.41 is conducted, Canada and the GNWT shall develop a list of all records, or classes of records, under the control of Canada which are necessary for the GNWT to fulfill the responsibilities transferred to it pursuant to the Devolution Agreement.
- 10.43 As of the Effective Date, Canada shall have provided to the GNWT originals or copies of all records on the list referred to in 10.42.
- 10.44 The Devolution Agreement shall contain provisions addressing access to records after the Effective Date, which were intended to be on the list referred to in 10.42, but remain in Canada's possession after the Effective Date.
- 10.45 Notwithstanding 10.43, where for any reason the original record cannot be transferred or copied the record will be loaned subject to such terms as may be agreed upon by the parties.
- 10.46 Prior to the provision of records to the GNWT, DIAND's Records Retention and Disposition Schedules shall be applied.
- 10.47 Records provided to the GNWT pursuant to 10.43 shall be under the custody and control of the GNWT and the *Access to Information and Protection of Privacy Act* (NWT) and related territorial legislation will apply, as the case may be, to such records.
- 10.48 Notwithstanding 10.43, prior to the provision of any record to the GNWT, Canada may remove any information subject to solicitor-client privilege.
- 10.49 Notwithstanding 10.43, prior to the provision of any record to the GNWT, Canada shall:
 - (a) remove information containing confidences of the Queen's Privy Council;
 - (b) subject to 10.51, remove personal information as defined by the *Privacy Act* (Canada); and
 - (c) subject to 10.53, remove information received from a third party as defined by the *Access to Information Act* (Canada).
- 10.50 Where the information referred to in 10.49 has been removed from a record, Canada shall make a notation in that record indicating that information has been removed and the ground pursuant to 10.49 on which that information has been removed.

- 10.51 Where a record provided to the GNWT pursuant to 10.43 contains personal information referred to in 10.49(b) but that information is required for the continued fulfillment by the GNWT of the responsibilities transferred to it pursuant to the Devolution Agreement, the information shall not be removed from that record.
- 10.52 The GNWT shall use the personal information referred to in 10.51 only for the purpose for which the information was obtained or compiled by Canada or for a use consistent with that purpose.
- 10.53 Where a record provided to the GNWT pursuant to 10.43 contains third party information referred to in 10.49(c) but that information is required for the continued fulfillment by the GNWT of the responsibilities transferred to it pursuant to the Devolution Agreement, the information shall not be removed from that record.
- 10.54 Where third party information referred to in 10.49(c) is included in a Record provided to the GNWT pursuant to 10.43, the GNWT shall maintain any confidentiality under which this information was provided to Canada.
- 10.55 The GNWT shall determine, in consultation with Canada, whether any amendment to its legislation is necessary in order to comply with the obligations of the GNWT in respect of the maintenance of the confidentiality or privacy of information contained in records provided to the GNWT pursuant to the Devolution Agreement. If such legislation is determined to be necessary, the GNWT shall introduce and support as a government measure such legislation.

10.56 Federal legislation shall provide that:

- (a) any record provided to the GNWT pursuant to 10.43 that is subject to solicitorclient privilege immediately prior to the Effective Date shall remain subject to solicitor-client privilege notwithstanding that the Record has been provided to the GNWT; and
- (b) solicitor-client privilege attaching to any record referred to in paragraph (a) shall not be waived by the GNWT without the written consent of the Minister of Indian Affairs and Northern Development and, without limiting the generality of the foregoing, the GNWT shall not, without the written consent of the Minister of Indian Affairs and Northern Development:
 - (i) use any Record referred to in paragraph (a) in any court proceedings; or
 - (ii) disclose any Record referred to in paragraph (a) to anyone other than its employees and agents, subject to applicable law.

Appendix 1 to Chapter 10 Preliminary List of Federal Properties to be Transferred

	Property Name	Street Address	Legal Description	Community	Current Use
1.	Six-Plex Office Bldg	9709 99th Street	L 5-65, P 316 LTO	Fort Simpson	Office
2.	T-62 4-Bay Garage	Tulita Street	L 63, P748 LTO	Norman Wells	Garage
3.	District Office	86 Duck Lake Rd	Lot 31 Blk 28	Inuvik	Office
4.	Residence	Lot 170		Fort Liard	Shed
5.	Taiga Laboratory	4601-52nd Ave	Lot 808-1 Group 964 Plan 678	Yellowknife	Lab
6.	Core Storage Building	4601-52nd Ave	Lot 808-1 Group 964 Plan 678	Yellowknife	Storage
7.	Trailer	4601-52nd Ave	Lot 808-1 Group 964 Plan 678	Yellowknife	Storage
8.	C.S. Lord Geoscience Bldg	4601-52nd Ave	Lot 808-1 Group 964 Plan 678	Yellowknife	Lab and Office
9.	Land only		Lot 2 Group 179	Sachs Harbour	Land

FINANCIAL MATTERS

Total One-Time Funding

- 11.1 Subject to the appropriation of funds by the Parliament of Canada, Canada shall provide the GNWT a total sum not to exceed \$26,500,000 in one-time funds for one-time transitional activities listed in Appendix 1 to this Chapter.
- 11.2 Subject to the appropriation of funds by the Parliament of Canada, Canada shall provide up to \$3,900,000 to the Aboriginal Parties to this Agreement-in-Principle to be used in respect of the one-time transitional activities listed in Appendix 2 to this Chapter.
- 11.3 As soon as is practicable after the signing of this Agreement-in-Principle, Canada shall enter into negotiations with the Aboriginal Parties to this Agreement-in-Principle in order to agree upon an appropriate allocation of the funds referred to in 11.2 among such Aboriginal Parties and an appropriate schedule of payment for any such allocations.
- 11.4 In addition to any allocation referred to in 11.3, Canada shall provide \$100,000 to the IRC to be used in respect of the participation of the IRC in the negotiation, drafting and review of the agreement or agreements referred to in 7.7.

One-Time Funding between the Agreement-in-Principle and the Devolution Agreement

- 11.5 Subject to the appropriation referred to in 11.1, as soon as is practicable after the commencement of negotiations towards the Devolution Agreement, Canada and the GNWT shall enter into funding agreements to provide to the GNWT a total of \$4,000,000 between the signing of this Agreement-in-Principle and the signing of the Devolution Agreement to carry out the activities set out in Appendix 3 to this Chapter.
- 11.6 Canada and the Aboriginal Parties to this Agreement-in-Principle shall enter into funding agreements to provide to each Aboriginal Party the funds agreed upon pursuant to 11.3 in respect of the period between the signing of this Agreement-in-Principle and the signing of the Devolution Agreement to carry out the activities set out in Appendix 2 to this Chapter.

Funding Agreements

- 11.7 The funding agreements referred to in 11.5 and 11.6 shall, among others conditions, set out:
 - (a) payment schedules in accordance with the Treasury Board of Canada's policies on transfer payments;
 - (b) reporting requirements;

- (c) the list of one-time transitional activities to be carried out by each Party during the year; and
- (d) recognize that in the event Devolution Agreement is not concluded, Canada shall be entitled to recover any unexpended funds from the GNWT or the Aboriginal Parties which were transferred to them to carry out the one-time activities set out in Appendix 1 and 2, respectively.

One-Time Funding between the Devolution Agreement and the Effective Date

- 11.8 Subject to the appropriation referred to in 11.1, the Devolution Agreement shall set out funding arrangements in respect of the one-time funds to be provided by Canada to the GNWT toward the costs of carrying out one-time transitional activities:
 - (a) between the signing of the Devolution Agreement and the Effective Date; and
 - (b) after the Effective Date.
- 11.9 Subject to the appropriation referred to in 11.2, the Devolution Agreement shall set out funding arrangements in respect of the one-time funds to be provided by Canada to the Aboriginal Parties to the Devolution Agreement toward the costs of carrying out one-time transitional activities:
 - (a) between the signing of the Devolution Agreement and the Effective Date; and
 - (b) after the Effective Date.

Ongoing Funding to the GNWT

11.10 The Devolution Agreement shall provide for the transfer to the GNWT annual funding in the amount of \$65,300,000 by making an adjustment, on the Effective Date, to the Gross Expenditure as determined under the *Federal-Provincial Fiscal Arrangements Act and Federal-Provincial Fiscal Arrangements Regulations*, 2007 or any successor program governing the financial arrangements between Canada and the GNWT.

Ongoing Funding for Aboriginal Parties

11.11 The Devolution Agreement shall provide for payment by Canada of up to \$3,000,000, annually, to the Aboriginal Parties to the Devolution Agreement in on-going funding.

Other Funding

- 11.12 The Devolution Agreement shall set out funding provisions to reflect:
 - (a) the approach to be agreed pursuant to 8.18 in respect of the Remediation of Waste Sites;

- (b) government obligations under Settlement Agreements and any related funding amounts affected by the transfer of administration and control of Public Lands and rights in respect of Waters to the Commissioner pursuant to 5.1;
- (c) the dollar value of the federal vacation leave referred to in 9.13(d);
- (d) the replacement cost of any buildings or assets in the Northwest Territories used by NAO in respect of responsibilities transferred to the GNWT pursuant to the Devolution Agreement, where such buildings or assets are not transferred to the GNWT pursuant to the Devolution Agreement; and
- (e) the approach agreed to pursuant to 5.54 to address unauthorized users and occupiers of Public Lands.

Appendix 1 to Chapter 11

LIST OF ONE TIME TRANSITIONAL ACTIVITIES GOVERNMENT OF THE NORTHWEST TERRITORIES

Organizational Design

- Development of an appropriate organizational design
- Transition team
- transition, implementation activities, planning, and working groups

Human Resources

- Job description preparation, evaluation, and matching
- Communications
- Recruitment activities (including early hire), compensation survey and research, staff orientation plans, training and development plans
- Administrative support (training, payroll)
- Labour Relations

Properties and Space

- Assessment of federal buildings, surveys, legal registration
- Hard core (mineral) library facility, core samples, core cataloguing
- Tenant improvements, office churn, office furniture and equipment, LAN, staff and equipment relocations

Movable Assets

 Preparing inventories, identification of deficiencies, review and assessment of moveable assets

Information Systems

- Assessment of GNWT post-devolution requirements and compatibility, evaluation of INAC's IT/IS systems, evaluation of provincial systems
- GNWT information needs assessment
- Design IM structure, acquisition and installation of major systems & equipment and advance testing
- Purchase and installation of desktops

Files and Records

- Records inventory review, districts site visits, assessment and identification
- Transition planning, transfer management, scheduling and integration

 Preparation of records centre for the transfer, data input into IRMS database, and staff training

Contracts

• Review of contracts/leases, assignments

Waste Sites

Inventory, assessments, planning and site auditing

Onshore/Offshore Oil and Gas Coordination

• Negotiating, drafting and review of the agreement or agreements referred to in 7.7.

Legislation

Drafting, legal support, policy support, consultations

Communications

Plans and products for employees, target groups and general public

Water Network

- Assessment of hydrometric network requirements
- Establishment of new water stations

Official Languages

• Signage, forms, etc.

Appendix 2 to Chapter 11

LIST OF ONE TIME TRANSITIONAL ACTIVITIES FOR ABORIGINAL PARTIES

Organizational Design

• Review of (GNWT's) organizational design for service delivery, participation on transition team(s)

Legislation

Review (of territorial) mirror legislation

Waste Sites

 Participation in the development/refinement/review of waste sites inventory, planning, site visits, due diligence and environmental audits and working with Aboriginal land owners (settled land claims organizations).

Post-Devolution Regimes

• Negotiating the bilateral agreement or agreements referred to in Chapter 6.

Appendix 3 to Chapter 11

LIST OF ONE TIME TRANSITIONAL ACTIVITIES BETWEEN AIP AND DEVOLUTION AGREEMENT GOVERNMENT OF THE NORTHWEST TERRITORIES

- The development of an appropriate organizational design
- The establishment of a dedicated transition team
- The preparation and completion of job descriptions and the evaluation the job descriptions in accordance with the Hay Job Evaluation System and the identification of matches between the job descriptions
- The completion of a compensation survey
- The development of training plans to address less than ideal matches
- The assessment of Federal Buildings to be transferred
- The preliminary assessment of Moveable Assets
- The assessment of GNWT post-devolution IT requirements and the compatibility of existing NAO IT Assets with GNWT IT systems and to evaluate selected provincial IT systems
- An information needs assessment
- The design of an information management structure
- The assessment and identification of records to be transferred and system needs and site visits
- Waste Site inventory, planning and environmental site audits
- The assessment of hydrometric network requirements
- The negotiation of Onshore/offshore memoranda of agreement; and
- The development and drafting of territorial legislation.

NET FISCAL BENEFIT

Net Fiscal Benefit Principles

- 12.1 The Devolution Agreement shall provide for a Net Fiscal Benefit to be calculated in the following manner:
 - (a) the Government of Canada will continue to treat Resource Revenues outside of the Territorial Formula Financing program established under the *Federal-Provincial Fiscal Arrangements Act* (the "F-PFAA") and *Federal-Provincial Fiscal Arrangements Regulations*, 2007 or any successor program governing the financial arrangements between Canada and the GNWT; and
 - (b) 50 percent of Resource Revenues will be excluded from the offset calculation against the GNWT's Territorial Formula Financing grant payable under the F-PFAA, up to an overall fiscal capacity cap equal to 5 percent of the NWT's Gross Expenditure Base as determined under the F-PFAA for the fiscal year to which the Resource Revenues are attributable.
- 12.2 The Devolution Agreement shall provide for the scope and timing of reviews of the Net Fiscal Benefit in a manner that ensures the Net Fiscal Benefit remains consistent with the principles of Territorial Formula Financing and that corresponds to the benefits received by resource-producing provincial jurisdictions under the Equalization program established under the F-PFAA for provinces or any successor program governing the financial arrangements between Canada and provinces, and that continues to provide an additional incentive to develop natural resources.

Resource Revenue Sharing with Aboriginal Parties

12.3 The GNWT and Aboriginal Parties to this Agreement-in-Principle agree that an agreement addressing the sharing of the Net Fiscal Benefit among the GNWT and Aboriginal Parties to the Devolution Agreement shall be concluded prior to the signing of, and may be appended to, the Devolution Agreement.

Resource Revenue Definition

12.4 The Devolution Agreement shall define the term "Resource Revenues."

IMPLEMENTATION MATTERS

Implementation Planning Committee

- 13.1 An Implementation Planning Committee is established upon the signing of this Agreement-in-Principle.
- 13.2 Prior to the commencement of negotiation of the Devolution Agreement:
 - (a) Canada and the GNWT shall each appoint two senior officials as members of the Implementation Planning Committee; and
 - (b) the Aboriginal parties to this Agreement-in-Principle may collectively appoint no more than two senior officials to the Implementation Planning Committee.
- 13.3 Canada and the GNWT and the Aboriginal parties to this Agreement-in-Principle shall be responsible for their respective costs of participation on the Implementation Planning Committee and on the Implementation Working Groups.

Agreement-in-Principle and Devolution Agreement

- During the period between its establishment and the completion of the Devolution Agreement, the Implementation Planning Committee shall:
 - (a) except for the working groups referred to in 3.7, and in addition to the working groups otherwise identified in this Agreement-in-Principle, establish, as necessary, working groups;
 - (b) identify the tasks arising from this Agreement-in-Principle, identify other tasks necessary to support the development of the Devolution Agreement, develop work plans to complete the tasks and assign responsibility and time-frames for the Implementation Working Groups to complete the tasks;
 - (c) monitor the progress of the activities of the Implementation Working Groups, revise the work plans as necessary, and ensure the implementation of the work plans;
 - (d) develop and recommend to the Chief Negotiators an implementation plan to guide the implementation of the Devolution Agreement; and
 - (e) provide on a periodic basis, or at the request of the Chief Negotiators, status of work updates and information to the Chief Negotiators and consider advice from them.

Devolution Implementation Plan

- 13.5 The implementation plan shall be appended to the Devolution Agreement and shall identify:
 - (a) the responsibilities and activities required to implement the Devolution Agreement including legislative requirements arising from the provisions of the Devolution Agreement;
 - (b) the parties to the Devolution Agreement responsible for, and the required timeframes to fulfill, the responsibilities and the activities identified;
 - (c) a communication and information strategy in respect of the implementation of the Devolution Agreement; and
 - (d) a process to facilitate co-ordination and co-operation among the parties to the Devolution Agreement to carry out the implementation plan, including a process to determine that the identified responsibilities and activities have been fulfilled.
- 13.6 The implementation plan will not be part of the Devolution Agreement and will not create legal obligations binding on the parties to the Devolution Agreement.

SIGNATURES

For the Government of Canada:		
The Honourable John Duncan Minister of Indian Affairs and Northern Development	Witness	Date
For the Government of the Northwest Territories:		
The Honourable Floyd K. Roland Premier	Witness	Date
For the Inuvialuit Regional Corporation:		
Corporation.		
Ms. Nellie Cournoyea	Witness	Date