

Federal Environmental
Assessment Review Office

Beaufort Sea
Hydrocarbon
Production Proposal

PANEL REPORTS TO THE MINISTER OF THE ENVIRONMENT ON THE PANEL PROJECTS

1. Nuclear Power Station at Point Lepreau, New Brunswick. (May, 1975)
2. Hydro Electric Power Project, Wreck Cove, Cape Breton Island, Nova Scotia. (August, 1975)
3. Alaska Highway Gas Pipeline Project, Yukon Territory. (Interim report, August, 1977)
4. Eldorado Uranium Refinery Proposal, Port Granby, Ontario. (May, 1978)
5. Shawkak Highway Project, Yukon Territory — British Columbia. (June, 1978)
6. Eastern Arctic Offshore Drilling — South Davis Strait Project, N.W.T. (November, 1978)
7. Lancaster Sound Offshore Drilling Project, N. W.T. (February, 1979)
8. Eldorado Uranium Hexafluoride Refinery, Ontario. (February, 1979)
9. Roberts Bank Port Expansion, British Columbia. (March, 1979)
10. Alaska Highway Gas Pipeline, Yukon Hearings. (August, 1979)
11. Banff Highway Project (east gate to km 13). (October, 1979)
12. Boundary Bay Airport Reactivation, British Columbia. (November, 1979)
13. Eldorado Uranium Refinery, R.M. of Corman Park, Saskatchewan. (July, 1980)
14. Arctic Pilot Project (Northern Component) N.W.T. (October, 1980)
15. Lower Churchill Hydroelectric Project. (December, 1980)
16. Norman Wells Oilfield Development and Pipeline Project. (January, 1981)
17. Alaska Highway Gas Pipeline, Yukon Territory. (July, 1981) (Routing Alternatives Whitehorse/ Inuvik Region)
18. Banff Highway Project (km 13 to km 27) Alberta (April, 1982)

These documents are available from:

Federal Environmental Assessment Review Office
200 Sacre-Cœur Blvd
Hull, Quebec
K1A 0H3

@Minister of Supply and Services Canada 1982

Cat. No. En 105-21/1982

ISBN 0-662-51 871-3



Government
of Canada

Gouvernement
du Canada

Environmental
Assessment Review

Examen des évaluations
environnementales

Hull, Quebec
K1A 0H3

The Honourable John Roberts, P.C., MP.
Minister of the Environment
Ottawa, Ontario

Dear Minister:

In accordance with the Terms of Reference that you issued to the **Beaufort** Sea Environmental Assessment Panel, June 14, 1981, the Panel has completed an interim Report outlining its work progress to-date, and describing its plans for future activities. During the Panel's public meetings to discuss the draft Guidelines for the preparation of an Environmental Impact Statement, there were many concerns expressed about the review process. The Panel considered it essential to address some of these concerns in its report. We are pleased to submit this report for your consideration.

Yours sincerely,

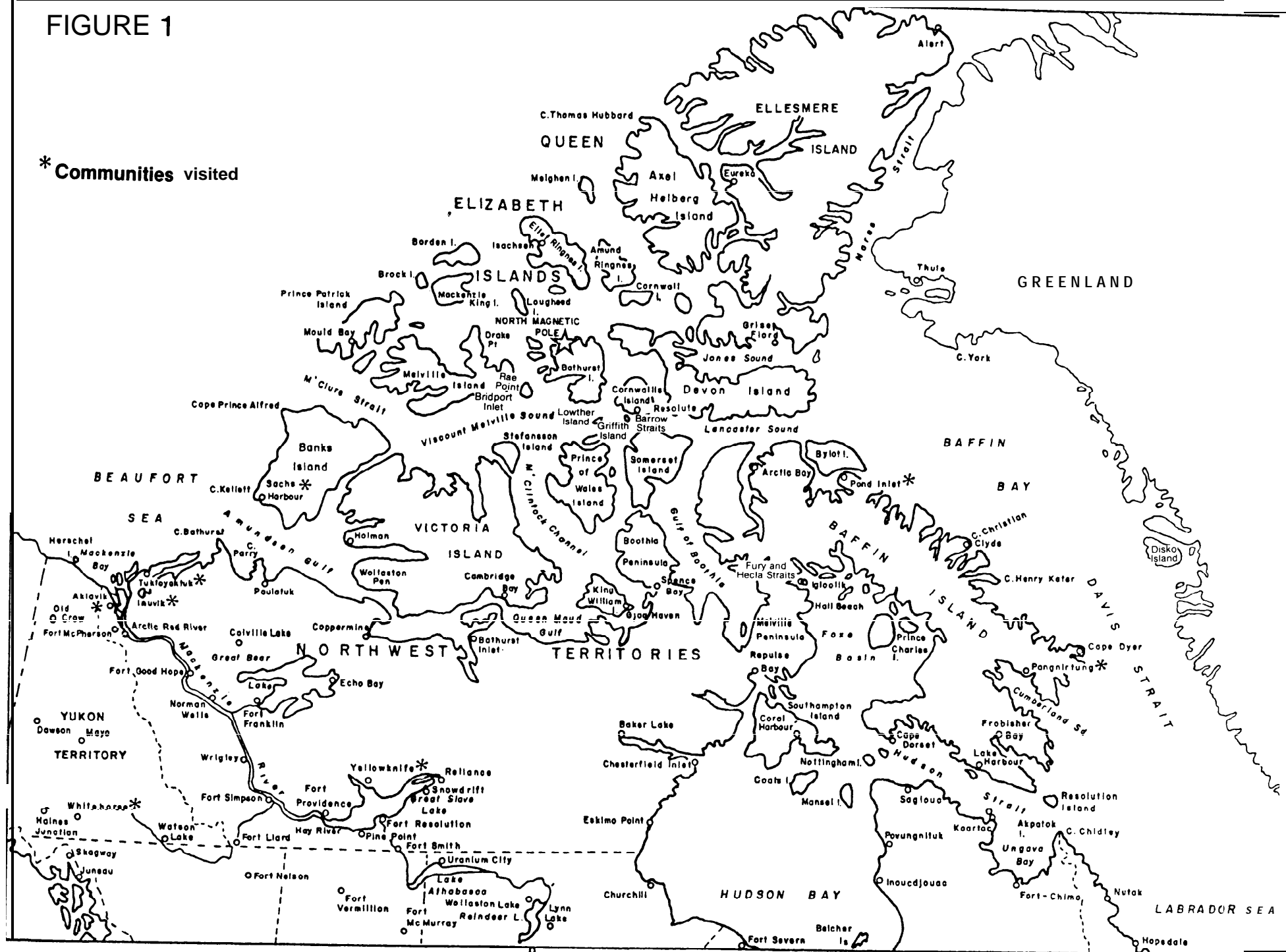
John S. Tener
Chairman
Beaufort Sea
Environmental Assessment Panel

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FIGURE 1

* Communities visited



BEAUFORT SEA ENVIRONMENTAL ASSESSMENT PANEL

INTERIM REPORT

1. INTRODUCTION

In keeping with your Terms of Reference, this interim report has been prepared following public meetings on the draft Environmental Impact Statement (EIS) Guidelines. It summarizes our progress to date, outlines future plans, provides some preliminary thoughts on the review process, and recommends some amendments to the Terms of Reference.

As you are aware, the Beaufort Sea Environmental Assessment Panel review is being conducted under the federal Environmental Assessment and Review Process (EARP). Under EARP, all proposed projects involving federal money or property that are likely to have significant environmental effects must be submitted to an Environmental Assessment Panel for review. Such Panels, including the Beaufort Sea Panel, report to you. Panels are supported in their activities by a support staff or Secretariat appointed by the Federal Environmental Assessment Review Office (FEARO).

The Beaufort Sea hydrocarbon production and transportation proposal was referred in July 1980 by the Honourable John Munro, Minister of Indian Affairs and Northern Development, for a formal public review under the EARP. The letter of referral requested that physical, biological and socio-economic effects associated with the proposal be considered and that meetings be held to obtain public input into the completion of the Guidelines for the preparation of an EIS. The EIS is to be prepared by the proponents of the proposal: Dome Petroleum Limited, Gulf Canada Resources Inc. and Esso Resources Canada Limited.

The seven members of the Environmental Assessment Panel were appointed by you between January and May 1981. All members, including the Chairman, are from outside the public service. The Panel members are:

Dr. John Tener, Ottawa
Mr. Fred Carmichael, Inuvik
Mr. Douglas Craig, Carbon
Mr. Lucasi Ivalu, Igloodik
Mr. Allen Lueck, Whitehorse
Dr. Ross Mackay, Vancouver
Mr. Michael Stutter, Whitehorse

A short biography of Panel members is included in Annex I.



2. PANEL ACTIVITIES TO DATE

The Panel's main activity to date has involved preparation of Guidelines for Dome, Gulf and Esso to prepare an EIS. Draft EIS Guidelines were released to the public in June 1981, and were followed by a series of public meetings held in November and December 1981. The meetings are described in greater detail in section 3. The EIS Guidelines have now been finalized by the Panel and issued to the Department of Indian Affairs and Northern Development (DIAND) for transmittal to Dome, Gulf and Esso.

The Panel considers full public input to be one of the key factors in completing a meaningful and successful review. Besides the public meetings to discuss the draft EIS Guidelines, other steps taken to facilitate participation include:

- a) FEARO held a seminar in Calgary on November 13, 1980, to identify environmental and socio-economic issues associated with the project. A wide variety of potential participants in the Panel review were invited to attend, including representatives from the oil and gas industry, the federal and territorial governments, northern communities, native groups and special interest groups.

- b) At the request of the Panel, and to assist review participants to understand the proposal, Dome, Gulf and Esso published in June 1981 a preliminary description of their proposal entitled "Hydrocarbon Development in the Beaufort Sea — Mackenzie Delta Region".
- c) The Panel Secretariat visited many communities in the Yukon and Northwest Territories that could potentially be affected by the proposal to explain the purpose of the Panel review and encourage participation in the review.
- d) The Panel Secretariat opened an office in Inuvik and hired a resident of Tuktoyaktuk to help coordinate Western Arctic Panel activities.
- e) A summary, in non-technical language, of the draft EIS Guidelines was published and translated into Inuvialuktun and Inuktitut. It was distributed widely.
- f) Funds were provided to communities and organizations to assist their input to the review. This was arranged by a committee independent of the Panel and is explained in more detail in section 7.
- g) Panel Update Reports were sent to all review participants.
- h) An Information Survey was conducted on the location and extent of all current research relative to the Beaufort Sea proposal. This survey resulted in a report entitled "Information survey — kinds and sources — for the Environmental Assessment and Review Process: Beaufort Sea Hydrocarbon Production and Transportation Proposal". This report was published by FEAR0 and will be updated periodically.

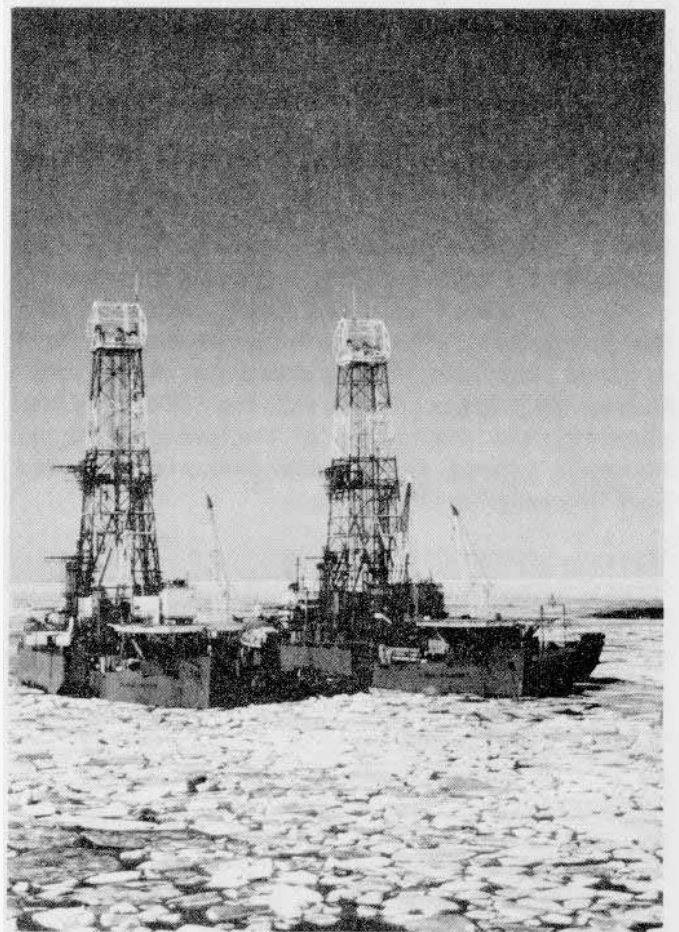
The Panel, through its Secretariat, has also been in regular contact with federal government departments and the two territorial governments. This is discussed in more detail in Section 5. The Panel requested that these agencies prepare government position statements describing how the Beaufort Sea proposal will interact with their programs, policies and activities. Because DIAND initiated the Panel review and is the main regulatory authority for the North, the Panel has directed a separate request to DIAND asking for a more detailed and comprehensive position statement (this is discussed in Section 6).

The Panel Secretariat's discussion with the two territorial governments has resulted in an agreement to work closely on public and community consultation programs.

The Panel developed a set of Operational Procedures and sent them to all review participants in October 1981. These outline the procedures the Panel will follow during the review and include sections on general review principles, use of technical specialists, the conduct of public meetings, the review of the draft EIS Guidelines, and the review of the EIS.

In June 1981 the Panel visited Tuktoyaktuk to meet with representatives of the proponents and with local community leaders. While the Panel was in Tuktoyaktuk, the oil companies arranged a tour for the Panel and the media of some of the existing facilities for the hydrocarbon exploration program. This included Dome's base at Tuktoyaktuk, one of Dome's drill ships and Esso's Issunak artificial island.

For the Panel to see oil and gas development in a northern setting, it visited Alaska in September 1981. It met with federal and state officials in Juneau and Anchorage, visited the oil production centres of Prudhoe Bay and Cook Inlet (Kenai), and held discussions with oil industry representatives. It talked to scientists from the University of Alaska engaged in research programs on Alaska's North Slope and in the Beaufort Sea and held meetings with native community leaders in Barrow.



3. PUBLIC MEETINGS TO DISCUSS DRAFT EIS GUIDELINES

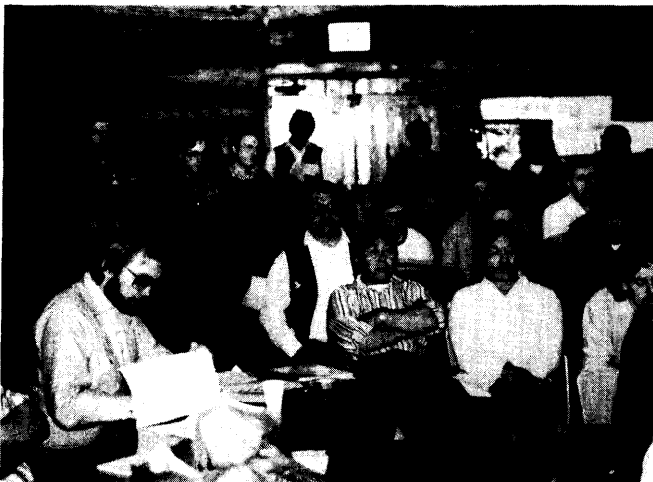
3.1 Public Meetings

The major Panel activity was related to the public meetings in November and early December 1981 to discuss the draft EIS Guidelines. The purpose of these meetings was to provide an opportunity for:

- a) direct public input into the development of the Guidelines,
- b) the proponents — Dome, Gulf and Esso — to seek guidance from the Panel and the public on any issues that should be elaborated or clarified,
- c) federal departments and agencies and for the territorial governments to familiarize themselves with the issues and hence to help them prepare their position statements and responses to the demands of Beaufort Sea development,
- d) the public to comment on the Terms of Reference submitted to the Panel by the Minister of the Environment, and
- e) the public to comment on the Panel's Operational Procedures.

Initially the panel planned to hold the public meetings on the draft Guidelines starting in mid-September 1981. However, to allow review participants adequate time to request funds from the funding committee and to prepare for the public meetings, the meetings were delayed until early November 1981.

The public meetings were divided into two categories, so that as many individuals and groups as possible could participate.



A. General Sessions

These meetings were open to anyone wishing to make a presentation to the Panel. Discussion covered both technical and non-technical issues and included a number of presentations that were directed more at the review process than at the draft Guidelines. General Sessions were held in Inuvik, Whitehorse, Yellowknife, Calgary, Pond Inlet and Pangnirtung. Presentations were received from public interest groups, native organizations, the oil and gas industry, federal government departments and agencies, the two territorial governments and individuals.



B. Community Sessions

These meetings were limited to presentations from community members. Generally, discussions were non-technical and focused on the concerns of the particular communities. Not all potentially affected communities were visited by the Panel during this series of public meetings. Instead, the Panel chose communities that were centrally located within a particular region, had a significant population base, and were readily accessible. Arrangements were made for representatives from other communities to make their presentations at the nearest centre where Community Sessions were being held. Community Sessions were held in Aklavik, Sachs Harbour, Fort Norman, Tuktoyaktuk, Inuvik, Pond Inlet and Pangnirtung. Presentations at the Community Sessions were received from Community and Band Councils, Hunters and Trappers Associations, other community organizations and individuals.

Locations of all communities visited by the Panel are shown on Figure 1. Transcripts were made for all General Sessions and some of the Community Sessions. Translation services were provided at all sessions where appropriate.

All written comments received before and during the public meetings were published in two compendiums of written submissions, October 17 and December 18, 1981. These compendiums are available to the public.

3.2 Concerns Expressed

The public meetings were generally well attended and it is obvious to the Panel that the people of the North not only are deeply concerned about the Beaufort production and transportation proposal and how it will affect their lives, but also want to have an important say in any decision on whether and how production will proceed.

During the public meetings, the Panel heard a wide range of concerns. Some people supported the proposal while others were opposed. The concerns generally fell into two categories: changes to the draft EIS Guidelines and concerns about the adequacy and appropriateness of the review process being followed by the Panel. The Panel has attempted to incorporate all reasonable concerns and suggestions for changes related to the draft EIS Guidelines into the final version of the Guidelines.

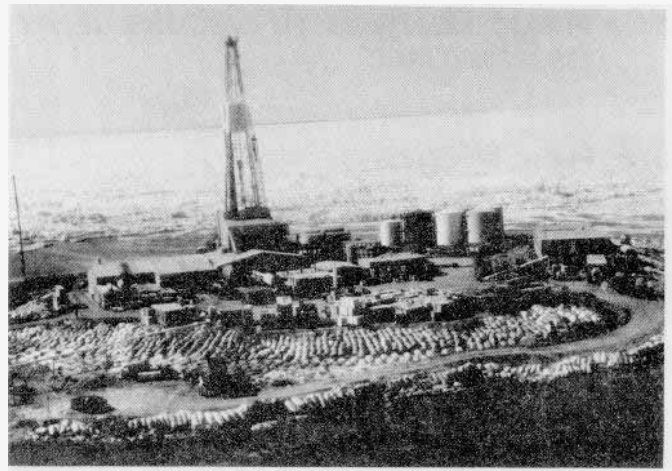


The major concerns related to the review process and the Panel's reaction to these concerns are summarized as follows:

- a) What is Being Reviewed by the Panel and What is the Scope of the Review?

A number of review participants felt there was no clearly stated purpose to the review and that the scope of the review was uncertain. There was also some confusion over what the Panel is reviewing, that is to say, is it a concept, a preliminary plan, a proposal or a regional plan.

The Panel's Terms of Reference clearly state that the Panel's mandate is to identify major physical, biological and socio-economic effects associated with the proponents' proposal to produce and transport oil and gas from the Beaufort Sea — Mackenzie Delta area and to recommend ways and means of dealing with these effects. They also state that the Panel review is to include all activities north of 60° latitude associated with the proponents' proposal.



The proposal under review, as defined by the proponents, is a plan for production and transportation of Beaufort Sea oil and gas. Within this proposed plan are various alternatives for production and transportation components. This definition clearly puts the proposal beyond the concept stage but not yet at the detailed design stage. The Panel believes that it is appropriate to review the proposal at this stage so that major environmental and socio-economic problems can be identified and considered in their proper context before commitments are made to specific project designs. This will allow all the important factors related to Beaufort Sea development to be considered at one time, rather than on a project by project basis, as detailed designs are being developed.

While the Panel cannot say what its final recommendations will be it does consider that its review will not result in an "approval in principle" as some have suggested.

- b) There is a Need for Better Community Understanding Of and Involvement In the Panel Review Process

The Panel heard that in spite of its efforts to date, there is still a need in most of the potentially affected communities for a better understanding of the Panel review process. Some communities and groups also criticized the Panel for not holding public meetings on the draft EIS Guidelines in all potentially affected communities. They stated that sending one or two representatives from a community to an outside session does not allow for satisfactory community input.



The Panel is deeply concerned about this problem because it places great importance on receiving informed and effective community and public input. The Panel plans to remedy this problem by taking the following action:

- it will hold community workshops over the coming months before the final public meetings. Organized by the Panel Secretariat, these workshops will be attended by at least one Panel member. They will be held in all potentially affected communities that would like to have such workshops. The objectives are: to better advise the communities of the purpose and objective of the Panel review, to discuss the contents of the EIS Guidelines to each community and to prepare the communities for participation in the final public meetings.
- The Panel Secretariat will continue to meet with community residents to discuss the Panel review and answer any questions they may have.
- During its final round of public meetings, the Panel will hold sessions in all potentially affected communities north of 60° latitude that would like to speak to the Panel directly. The Panel will also visit certain southern locations to discuss effects that occur south of 60° as a result of actions north of 60°.

c) What is The Relationship Between DIAND's Land Use Planning Exercise and the Panel Review?

The Panel heard that the relationship between the Panel review and DIAND's northern land use planning exercise had to be clarified. Some felt that the Panel review should be held in abeyance until DIAND's basic planning structures are in operation. Others expressed the view that land use plans should not be put in place until the Panel review is finished.

In the Panel's opinion, the present method, which is to have the review proceed in parallel with the DIAND land use planning program, is appropriate and should be followed.

To ensure that the Panel and hence the public are well informed about the land use planning exercise, it has asked DIAND to include in its position statement information on the progress of the exercise, its anticipated timing and the departments perception of the interaction with the proposed Beaufort development and the Panel review.

d) What Role Will Land Claims Issues Have in the Panel Review Process?

A number of review participants suggested that the native land claims process and related issues should be a part of the Panel review. It was suggested that land

claims are a relevant socio-economic factor, and, therefore, should be considered by the Panel.

The Panel recognizes that a land claims settlement could have important implications for the Beaufort Sea proposal, particularly with respect to socio-economic matters and considers it important to review these matters to the extent possible. However, the Panel is not prepared to review land claims as such, since the Government has already instituted a procedure to deal specifically with the topic.

e) What is the Role of Government in the Panel Review Process?

There was considerable discussion of the role of federal government departments and agencies, and territorial governments in the Panel review process. Some felt that the Panel was operating in a policy vacuum, that is, it was conducting a review of a proposal affecting a huge area of Canada, for which there are very few clear government policy directives. Others pointed out that many concerns cannot be adequately considered by the proponents in their EIS as this is more properly the role of the government, for example, how does the Beaufort Sea proposal fit into the National Energy Program? The Panel agrees that government departments and agencies and the two territorial governments have an important role in this review. It believes the government position statements, (see Section 5) which are to indicate how government programs and policies may affect or be affected by the Beaufort Sea proposal, should help relieve this concern.

f) How Will the Ongoing Beaufort Sea Hydrocarbon Exploration Program Fit Into the Panel Review Process?

The Panel was told that although its mandate excludes it from reviewing present exploration activity, it will be very difficult to separate environmental and socio-economic effects of exploration programs that will continue at the same time as production. The Panel was asked to consider cumulative effects of both programs. It was also suggested that many lessons of value to the Panel can be learned by reviewing the effects of the exploration program to date.

The Panel concurs and is requesting the proponents to address this matter in their EIS.

g) How Will the Panel Consider Concerns South of 60° Latitude, in Alaska, and in Greenland?

A number of review participants expressed concern that the geographic boundaries of the review are arbitrary, that is, the review is only to consider activities north of 60° and within Canadian jurisdiction. The Panel appreciates this concern, but recognizes that it cannot hold public meetings outside Canada and cannot operate outside its Terms of Reference. It has, however, made

"In the draft pipeline guidelines dealing with oil spills you dealt quite extensively with cleanup and prevention. ... How would you deal with animals that are already contaminated with all of this and if there is a spill what would be done?"
Barney Masuzumi, Fort Good Hope.

"The biological environment should be described in terms of community associations in various habitats with emphasis placed on variability and cause of variability".
Herb Lawler, RDG, Fisheries and Oceans Canada

"We would like to see oil production progress slowly in order to have more Inuit participation and the training — a lot of Inuit don't know anything about training and whenever Inuit are employed in the oil companies they are not skilled positions that they are holding because they don't have that much education."
Gamaliel Akeeagok — Pangnirtung

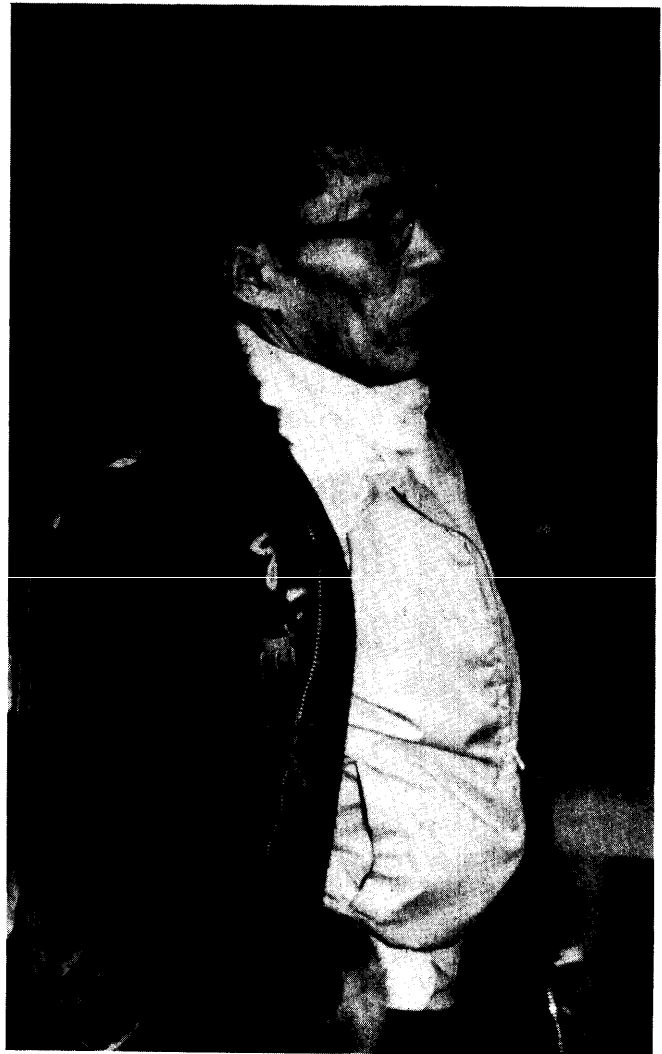
"I think what we are asking here is for the Panel to be aware that the Government is starting to become involved in regional planning; that there is some commitment to do regional planning in the area of the Beaufort Sea; and that the two processes, one of environmental review and one of regional planning have to be aware of each other and their progress".
Hiram Beaubier, Regional Director, DIAND.

"We believe that our forecast or scenario or whatever else you choose to call it, provides the Panel and the public with the necessary background for identifying the main issues, you could call it scoping, and the relative magnitude of these issues".
Rick Hoos, Dome Petroleum.

"With no plan in place and no proposal before you, your Panel may be embarking on a meaningless science fiction voyage".
John Bailey, Lawyer for Dene Nation & Metis Association of N. W.T.

"How many of these islands can the Beaufort Sea stand before the rubble fields reach each other. ..."?
Mayor Vince Steen.

"... our concern is about the land, the water. We make our living off it and if there is any damage to it, we will in the end suffer as a human".
Chief George Kodakin, Fort Franklin.



arrangements for a number of Alaskan interests to receive relevant information on the review and to communicate with the Panel in writing or by appearing at public meetings in Canada. Similar arrangements are planned for the residents of Greenland. In addition, the Panel has agreed to consider effects on the north coast of Labrador resulting from tanker traffic in Davis Strait north of 60°]

Notwithstanding, the Panel's mandate is to consider effects north of 60° and within Canadian jurisdiction. However, because the Panel feels this matter is important, it recommends that the federal government consider appropriate means to look at these other legitimate concerns (Alaska, Greenland and south of 60° in Canada).

h) Why is the Panel Reviewing a Proposal Involving Year-Round Tanker Operations Through the Northwest Passage Before the Arctic Pilot Project Has Had a Chance to Prove the Feasibility of Such Operations?

A number of review participants, particularly in the Eastern Arctic, asked why the Panel was reviewing a proposal which includes a full-scale, year-round operation of ice-breaking tankers through the Northwest Passage before the Arctic Pilot Project, supposedly a pilot project because of its small number of transits, has had a chance to prove the feasibility of such operations. Dome Petroleum has stated that it would like to start tanker operations as early as 1986 which is about the same time as the projected start of the Arctic Pilot Project. This issue has resulted in the credibility of the Panel and of the Environmental Assessment and Review Process in general being brought into question by the public.

The Panel is keenly aware of this concern and is following closely the progress of the Arctic Pilot Project. It is unfortunate that the Panel and others do not have the benefit of the test results of the Arctic Pilot Project or of a similar year-round shipping activity. The Arctic Pilot Project Panel clearly saw the project as a small-scale shipping proposal which would permit further study and allow more accurate assessment of potential impacts and ways to minimize or determine more fully the effects of large-scale shipping. This Panel supports the recommendations of the Arctic Pilot Project Panel report to the Minister in October 1980, and encourages the federal government to act upon these recommendations as quickly as possible. It is aware that some action is being taken but recognizes that until the project is approved by government the Arctic Pilot Project Panel recommendations cannot be totally acted upon.

Because the Arctic Pilot Project has not been given government approval to proceed, and because it is a proposal to ship liquified natural gas rather than oil, it is

appropriate for the Beaufort Panel to review the potential effects of transporting oil through the Northwest Passage via an increased number of ice-breaking tankers. Nonetheless, shipment of oil through the Northwest Passage to markets should not be permitted until more information, as identified in the Arctic Pilot Project Environmental Assessment Panel report, is available on the effects of year-round shipping. Such information may be obtained either through the evaluation of the actual Arctic Pilot Project or a similar, small-scale, year-round shipping activity.

The Beaufort Panel will consider the mutual relationship between the Arctic Pilot Project and the Beaufort Sea proposal in the development of its final recommendations. To better understand this relationship the Panel has asked DIAND to discuss in its position statement, the relationship and relevance to the Beaufort Sea proposal of associated projects such as the Arctic Pilot Project.

ii) What is the Relationship Between the Lancaster Sound Regional Study and the Proposal for Year-Round Tanker Operations Through the Northwest Passage?

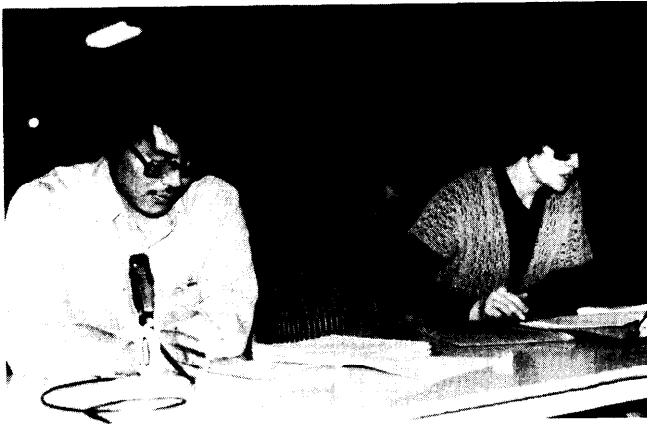
This particular concern, similar to the one involving the Arctic Pilot Project, was raised primarily by the residents of the Eastern Arctic. Both the Panel review and the Lancaster Sound Regional Study will be advisory to government. Ultimately government will have to decide whether year-round shipping is compatible with various resource uses being considered in Lancaster Sound.

Information generated by the Panel review on the proponents shipping proposal will serve as input to the study and the decision-making process. It is important, therefore, for the Panel to be kept informed of the progress of the study. The Panel has requested DIAND to address this in its position paper and would welcome any guidance that might be forthcoming on the resource use question.



"... every summer we have forest fires out on our land and is the pipeline not supposed to run on top of the surface, what kind of damage would the fire do to the surface line"?
Joe Naedzo. Fort Franklin.

"It is not just the marine mammals that are of concern to the Inuit; for example, if I am out on my skidoo and my skidoo breaks down and when I am hungry and, even though I try and catch a polar bear or a cariou and if, for example, at that time there is a plane right over us and the animals get scared and walk away, then I would lose the animal I am trying to hunt."
David Kalluk — Arctic Bay



"If all those tankers going through our area by the year 2,000, is there any premonition that there will be a tanker accident? I know that the oil companies have predicted if they drill one million holes that one major accident is going to occur, is there any prediction on the tanker accidents?"
Titus Alooloo — Pond Inlet

"... it is simply not credible for the Arctic Pilot Project to call this project a pilot. If Dome goes ahead with its own plans, its ships could sail concurrently with those of the Arctic Pilot Project".
Bobby Kadlun, Inuit Tapirisat of Canada.

"Our communities operate most effectively when the community as a whole participates in and renders decisions upon matters of great importance".
David Porter, Council for Yukon Indians.

"Should we not first thoroughly study the North scientifically for yet many more years to discover the many mysteries of this frontier land?"
Elijah Erklou — Pond Inlet

"In our opinion, the determination of appropriate guidelines will be the single most important task for the Panel, apart from your final report".
Nancy Macpherson, Yukon Conservation Society.

"I am glad that you see that there is a link between the land settlement and also management of the non-renewable resource area. I feel that is a strong link, and if you are doing a socio-economic study, I think that link has to be considered regardless whether it is in your Terms of Reference or not".
Bob Simpson, Fort McPherson.

"It is the basic premise of the Inuvik Town Council that resource development must be beneficial to the people of the town. In order for this to happen, it is imperative that proper planning and management take place. We must not be overshadowed and overwhelmed by new forces. Northerners must share in the opportunities, and in order to accomplish this, we need the tools to do the job".
Mayor Cynthia Hill.

"I know for a fact that there be a lot of drastic changes if there is going to be year-round ship routing. I would like to express my opinion that I am very concerned about that."
Joanise Kooneeloosie — Broughton Island

4. PANEL TERMS OF REFERENCE

Terms of Reference were issued to the Panel by the Minister of the Environment on June 14, 1981 and made public. The Terms of Reference delineate the responsibilities of the Panel, the review process it is to follow and the expectations that the federal government has for the review. The Terms of Reference state "The Panel should notify the Minister of the Environment of any major recommendation for revisions or refinements that it may consider necessary to make during the course of the review".

As noted previously, during the course of the public meetings on the draft EIS Guidelines, the Panel heard a number of concerns relating to the review process being followed. Some of these concerns relate directly to the Terms of Reference. The Panel has carefully considered all of these concerns and would like to make the following recommendations for changes to the Terms of Reference:

- a) The Panel believes its review should also include consideration of hydrocarbon exploration activities. Therefore, it recommends that the last sentence of the first paragraph of the Scope of the Review section (p. 2) be amended to read:

"As it will be difficult to separate effects due to ongoing exploration and future production activities, exploration that will occur concurrently with production should be reviewed by the Panel. The exploration program now under way is not part of the Panel review as it is subject to current government review mechanisms."

- b) It recommends that the first sentence of the second paragraph in the Scope of Review section (p. 2) be amended to read:

"The proposal under review is still at a preliminary design stage". The Panel felt that the remainder of this sentence "...with project specific details such as location of specific major transportation corridors or harbours yet to be decided" does not accurately reflect the current state of the proposal and believes it should be deleted. In fact, locations of major transportation corridors and harbours do form part of the proponents' current proposal.

- c) The Panel believes that the international implications of its review would be clarified by amending the first sentence of the International Implications section to read:

"The Panel should be aware of possible international implications of this proposal, e.g. Greenland and Alaska, even though it does not have the mandate to hold public meetings about these implications outside of Canada". This rewording would ensure that the Panel may hear concerns from Greenland and Alaska which may be pertinent to its review.

5. GOVERNMENT POSITION STATEMENTS

The Panel recognizes that some of the issues that it would like to see covered during its review cannot be considered by the proponents in their EIS. The Panel believes that these issues are more appropriately directed to the federal departments and agencies and the territorial governments involved with the proposal. Therefore, the Panel asked them to prepare position statements outlining the possible effects that the Beaufort Sea proposal may have on their programs, policies and activities and, conversely, the effects of their programs, policies and activities on the proposal. The position statements should help all review participants obtain a government perspective on Beaufort Sea development with an industry perspective provided by the proponent's EIS.

The Panel has requested position statements from the following:

Department of Indian Affairs and Northern Development
Yukon Territorial Government
Government of the Northwest Territories
Department of Energy, Mines and Resources
Department of the Environment
Department of Fisheries and Oceans
Department of Health and Welfare
Department of Public Works
Department of Transport
Department of External Affairs
Department of Employment and immigration
Department of Industry, Trade and Commerce
Department of Communications
Royal Canadian Mounted Police
Northern Canada Power Commission.

The Panel asked that these statements be submitted at about the same time as the proponents' EIS is completed. When the statements are received, they will be distributed with the proponents' EIS and other relevant documents for review and discussion at the final public meetings.

To assist in the development of these position statements, the Panel prepared "Guidelines for the Preparation of Government Position Statements on Proposed Beaufort Sea Oil and Gas Production". These Guidelines are available to the public.

6. ROLE OF THE DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT (DIAND)

The Panel recognizes the special responsibilities that DIAND has in the Panel review, not only as the Initiator of the review but also as the main regulatory authority in the North. The Panel believes DIAND must take a particularly active role in the review and has asked it to prepare a more detailed position statement than the other departments. The guideline entitled "Request to Initiator (DIAND)" asks that it include in its position paper the following:

- information about the need for Beaufort Sea development;
- policy on Beaufort Sea development (effects of policy on development and development on policy);
- discussion of the planning process for areas potentially affected by the proposal;
- discussion of how land claims and land claims negotiations could interact with Beaufort Sea development;
- view of possible inter-relationships between other major northern projects and the Beaufort Sea development;
- information on the establishment of protected areas, such as parks;
- discussion of mechanisms and regulatory procedures for follow up to the Panel review;
- discussion on how to deal with possible effects south of 60°N which could be caused by an activity north of 60°.

7. FUNDING PROGRAM

To assist and facilitate public participation in the Panel review process, a funding program was established to provide financial assistance to those wishing to present their views to the Panel. As you know, this program was announced in August 1981.

It is administered by a special committee headed by Dr. E.F. Roots of the Department of the Environment. Applications for funding were reviewed by the committee during the Autumn of 1981 and \$325,000 was distributed to a variety of groups for the fiscal year 1981/82. Additional funds are expected to be available for fiscal year 1982/83.

The Panel fully supports the funding program but has carefully avoided any direct involvement in the allocation of funds, leaving this entirely up to the funding committee. The Panel would like to see the program continued throughout the review. It believes that the program has substantially contributed to the goal of well informed and effective public participation in the review and will continue to do so. Some criticism was received by the Panel about the amount of funds allocated to various interest groups. Although the Panel has no relationship to the funding committee, it brought these criticisms to the committee's attention.

8. PLANS FOR FUTURE PANEL ACTIVITIES

Now that the Panel has completed the first stage of its review, it is making plans for the second stage. These include:

- a) Community Workshops (See also Section 3.2, Item b)

The Panel Secretariat wrote to all potentially affected communities in the North asking if they would like to have a Panel workshop held in their community and if so what would be the most appropriate time. These workshops would be attended by members of the Panel Secretariat and at least one Panel member. They will be held between now and the start of the final public meetings.

- b) Technical Specialists

The Panel will engage a number of specialists to provide advice on certain technical subjects that may be raised during the review. These specialists will provide advice and opinions not only to the Panel but also to review participants. The availability of these specialists will be announced and review participants may make reasonable requests for their services through the Panel Secretariat.

- c) Review of the EIS and the DIAND and Other Government Position Statements

When the proponents' EIS and the DIAND and other government position statements are received by the Panel, they will be made available to the public. A minimum of 90 days will be allowed for review of this

material. At the end of this period, the Panel will decide, based on the comments received from the reviewers and its own review, whether the EIS is an acceptable document, with which to proceed to the final public meetings. If the Panel is not satisfied with the EIS, it will issue a deficiency statement to the proponents, who must then provide a satisfactory response. Once the Panel decides that it has received an acceptable EIS, the dates and locations for the public meetings will be announced.

d) Final Public Meetings

The final public meetings will be divided into General and Community sessions, similar to the meetings on the EIS Guidelines. The Community Sessions will be held in all potentially affected communities that wish to talk to the Panel directly. Because of the large number of communities that will have to be visited, the public meetings schedule will likely be divided into three or four separate series, for example one series covering the communities around the Beaufort Sea, one series in the Mackenzie Valley, one series in the Eastern Arctic. A series of General Sessions will be held in the larger centres such as Whitehorse, Yellowknife and Inuvik.

e) Preparation of Final Report

Following the final public meetings, the Panel will consider all information that has been presented to it in writing or at the public meetings and write its final report. This final report will summarize all pertinent information relating to the Beaufort Sea proposal and the Panel review of it and present the Panel's final conclusions and recommendations on the environmental and socio-economic effects associated with the proposal.

After the panel report is submitted to you, its findings and recommendations should provide an important input to the Government of Canada's decision-making process on Beaufort Sea development.

ANNEX I

DR. JOHN TENER (Chairman)

Dr. Tener has considerable experience in the North and is particularly knowledgeable about Arctic wildlife. He is a former Assistant Deputy Minister with Environment Canada and former Executive Director of the Arctic Institute of North America. Dr. Tener retired from government service in 1980 and lives in Ottawa. He is teaching at the University of Calgary.

FRED CARMICHAEL

Mr. Carmichael, a commercial pilot, has lived and worked in the Northwest Territories all his life. From 1971-76 he operated Reindeer Air Service of Inuvik and is a pilot for Kenn Borek Air. His home is in Inuvik.

DOUGLAS CRAIG

Mr. Craig, an engineer, was Vice Chairman of the Energy Resources Conservation Board of Alberta from 1971 until his retirement in 1977. He also held various positions with the Board's predecessor, the Oil and Gas Conservation Board, giving him considerable understanding of the oil and gas industry in Canada. His home is in Carbon, Alberta.

LUCAS IIVALU

Mr. Iivalu recently resigned as the Speaker of the Baffin Regional Council, a position he held since 1978. Before that he was Settlement Secretary and Settlement Manager of the Hamlet of Igloolik. Mr. Iivalu lives in Igloolik, N. W.T.

ALLEN LUECK

Mr. Lueck is involved in mining exploration and development in the Yukon. He is a lawyer and helped set up the Yukon Native Brotherhood and the Council for Yukon Indians and from 1969 to 1977 he served as the Council's legal advisor. Mr. Lueck lives in Whitehorse.

DR. ROSS MACKAY

Dr. Mackay is a professor of geography at the University of British Columbia and is widely known and well respected for his studies of permafrost and post-glacial history of the western Arctic coast. He has spent more than 25 summer seasons on that coast conducting research. Dr. Mackay's home is in Vancouver.

MICHAEL STUTTER

Mr. Stutter is engaged in gold mining in the Dawson City, Yukon area. He was a member of the Yukon Territorial Council from 1970-74. From 1961-71 he operated a river barge service to Old Crow. Mr. Stutter's home is in Whitehorse.