



Status Report

October 14th, 2011

Project:

Development of Fort Nelson and the NRRM as the Service Centre for the Horn River, Liard and Cordova Shale Basins (NRRM Fair Share Program)

The following is a summary status report for the past three years on the Regional Council initiative for the development of Fort Nelson and the NRRM as the service centre for Shale Gas (also referred to as the NRRM Fair Share project)

- **February 2009** – Regional Municipality incorporated after three years of studies, research and negotiations
- **March 2009** – Regional Council requests the Province to open negotiations for the funding of community infrastructure and an NRRM Fair Share program as previously agreed between the two parties during the restructure process
- **May 2009** – Deputy Minister of Community Services advises Regional Council that the Province has adopted a new position to the effect that they will not enter negotiations for funding assistance. The new position appears to be inspired by the economic downturn and provincial fiscal restraints.
- **June 2009 to September 2010** – Regional Council carries out extensive lobbying campaign with Provincial Ministers and officials to convince the province that funding infrastructure development in Fort Nelson must become a provincial priority. Research and studies were completed and presentations and meetings held with the following Ministers in an attempts to have the Province agree to reopen negotiations:
 - Hon. Blair Lekstrom – 6 meetings
 - Hon. George Abbott – 2 meetings
 - Hon. Bill Bennett – 3 meetings
 - Hon. Pat Bell – 2 meetings
 - Hon. Colin Hansen – 2 meetings

In addition, numerous meetings were held with and presentations made to Deputy Ministers, First Nations, the Northern Caucus, and Industry to gain their support for the development of Fort Nelson and community infrastructure funding

- **October 2010** – Premier Campbell accompanied by Ministers Hansen, Bell, Bennett and Abbott, visited the Northern Rockies and toured the Shale Gas developments. Premier Campbell committed the Province to support for the development of Fort Nelson and to opening negotiations for a NRRM Fair Share program.

- **November 2010** – Premier Campbell resigns
- **December 2010 – March 2011** – Regional Council hosted a number of Ministers and Liberal Leadership candidates at Fort Nelson and gained their support for the development of Fort Nelson as the key service centre for Shale Gas development, including
 - Leadership candidate Christy Clark
 - Leadership candidate Kevin Falcon
 - Honorable Steve Thomson *

*unscheduled visit to Fort Nelson as the new Minister of Natural Resource operations
- **March 22, 2011** - At the newly elected Premier Clark’s first Provincial Town Hall meeting in Fort St John, Councillor Ron Vigeant asked the Premier “Do you support the development of a service centre at Fort Nelson for the 3 Shale Gas fields in the NRRM”.

Premier Clark’s response was that she was “absolutely committed...we need benefits to flow back to Fort Nelson –Pat Pimm will develop the solution”

(Delegation – Councillors Vigeant, Osborne, Roper and DSI-Griffith)

- **May 2011** - the National Energy Board and the BC Ministry of Mines released a joint study documenting the natural gas reserves in the Horn River Basin totaling 78 TCF. This study provided a major lift for the Regional Council’s 2 year campaign to focus Provincial attention on the magnitude of the Shale Gas development in the Northern Rockies and the need for the Province to take leadership on the issue of collaborative economic planning for this massive development and to commit to making the required Provincial investments in both community and regional infrastructure.
- **May 2011** - the Minister of Energy and Mines, the Honorable Rich Coleman requested the Regional Council to start work on a business case to examine the impacts of the Horn River development on the community of Fort Nelson and the Northern Rockies, on NEBC and the Province and to make the case for Provincial Investments in developing the community as the primary service centre for Shale Gas development in the Northern Rockies. (Victoria delegation- Mayor Streeper, CAO McLean, DSI Griffith)
- **June 2011** – Premier Clarke appointed MLA Pimm as the Secretary of State for Natural Gas and gave him the specific mandate to work with the Regional Council to create a viable service for the Horn River Basin, Liard Basin and Cordova Embayment, and to investigate and make recommendations on job creation, housing, employment and potential revenue sharing options to ensure benefits accrue to the local community.
- **July, August 2011** – Economic studies and research carried out. Numerous consultations with Parliamentary Secretary for Natural Gas. Business case under preparation.
- **September 2011** - The Business Case for collaborative economic planning and provincial investments in community infrastructure was reviewed and approved unanimously by Regional Council. Additionally, the Regional Council also unanimously approved the lobbying and negotiation strategy for the 2011 – 2015 timeframe as presented by Director of Strategic Initiatives, Colin Griffith.

- **September 2011** – The business case was formally presented to the Parliamentary Secretary for Natural Gas, MLA Pimm on September 8th, 2011, to ensure the Regional Council’s formal positions and requests would be considered for his report and recommendations to the Minister of Energy and Mines.
- **September 7-9th, 2011** – the BC Oil and Gas conference was held in Fort Nelson and the agenda was strategically designed by Regional Council around the theme “Communities leading change”. This was to ensure that all community, industry and government participants were presented with seminars, speakers and panels addressing the fundamental issues of the need for the development of community and regional infrastructure to precede the actual growth curve of the industry.
- **September 26-30th, 2011** - at the UBCM Conference in Vancouver, Regional Council presented the business case to the following Ministers:
 - Minister of Energy and Mines, Hon. Rich Coleman
 - Deputy Premier and Minister of Finance Hon. Kevin Falcon,
 - Minister of Jobs, Tourism and Innovation – Hon. Pat Bell,
 - Minister of Health, the Hon. Michael DeJong,
 - Minister of Community, Sport and Cultural development – Hon. Ida Chong

The response to the business case presentation by the Ministers was very supportive, despite the onerous fiscal challenges faced by the Province and stressed by Hon. Ida Chong.

As the lead Minister on this initiative the specific responses of the Hon. Rich Coleman are very noteworthy:

- He noted that Premier Clark has already committed to Fair Share for the NRRM
- He noted that agriculture in the NRRM has to be examined
- He noted that this was simply a case of getting this ‘Initiative’ started since the Premier had already committed
- He directed his Deputy Minister to work with his counterparts from the Ministries of Finance, Jobs and Communities on the steps to formalize a structured process for advancing this initiative
- He advised that he was anticipating receiving the report and recommendations, the next few weeks, from Parliamentary Secretary Pimm on this initiative,
- He advised that he would be advancing this issue with the Premier’s staff in short order

(UBCM delegation – Mayor Streeper; Councilors Eglinski and Roper; CAO McLean; Corporate Manager Cosman; Director of Strategic Initiatives Griffith)

October – December 2011 - Anticipated Developments/Actions

October 2011 – Report and recommendations on the development of Fort Nelson and the NRRM to be submitted by the Parliamentary Secretary on Natural Gas to the Ministry of Energy and Mines

November 10th – Meetings in Victoria with the Deputy Ministers to start discussions around the development of an MOU Agreement, as to the process and timelines to be adopted for the Plans and Strategies for the development of Fort Nelson as the service centre for the shale gas basins located within the NRRM.

Key subjects to be addressed include:

- Community infrastructure priorities and funding
- Regional Infrastructure priorities and funding
- Medical and health service upgrading
- Local employment and job creation
- Expanding local business opportunities
- Education and training
- Collaborative planning, including First Nations
- Seniors and social services upgrading

December 2011 – Premier and Cabinet reviewing the recommendations from Minister Coleman and the Parliamentary Secretary for Natural Gas as well as input from Deputy Ministers on the provincial leadership and required commitments to develop the NRRM Shale gas resources, and the prerequisite community and regional infrastructure.

Respectfully,

Colin Griffith,
Director of Strategic Initiatives

Randy McLean,
City Manager