Regional Development in the Northern Rockies:
Laying the Groundwork for Success

The Northern Rockies region of British Columbia, in northeastern British Columbia, covers one-tenth of the province. It is a land of great beauty, rich in natural resources. The Northern Rockies Regional Municipality (NRRM) is the regional government for the region. This land is also home to three First Nations and their traditional territories: Fort Nelson First Nation, Acho Dene Koe (Fort Liard First Nation) and Prophet River First Nation. To ensure the Northern Rockies reaches its full potential in the years ahead, NRRM and Fort Nelson First Nation are working together. They are calling on other public and private sector interests to contribute to a new regional development strategy.
The Northern Rockies: Tremendous Opportunity. Great Responsibility.

- The Northern Rockies region today boasts 30% of BC’s natural gas production, and has the largest reserves of shale gas in the province, possibly in Canada. There are 40 natural gas fields in the Fort Nelson area, and interest is growing among gas producers in shale gas production, particularly in the Horn River Basin. Land sales in the area topped $2 billion between 2006 and 2008.

Shale gas is an unconventional gas source, the extraction of which demands a considerable commitment of time, money and resources. While the economic feasibility of exploiting shale gas reserves is under evaluation, current land sales and drilling activity suggests an upswing in activity is ahead.

Shale gas development holds promise for investors, producers, all orders of government and the people of the region. Yet success in exploiting this comparatively new resource will call for an high level of collaboration among sectors. This means a commitment to work together to secure the social, economic and environmental health of the region, and to make community, economic and environmental planning a priority.

Both the NRRM and local First Nations have an interest in seeing all natural resource companies hire local people and retain local service industries. As well, natural resource industries have an interest in working with a community that is able and willing to welcome newcomers.

It is critical that infrastructure and services keep pace with development.

Without sufficient planning, there are risks on every front. Experience from Alberta shows that rapid growth related to oil sands development was accompanied by significant environmental degradation and deficiencies in housing, waste treatment and health care services in some communities. The ripple effects of inadequate infrastructure is discouraging for all who live and work in a region and may make it difficult for industry to attract and retain key personnel.

A better approach is to commit to infrastructure and environmental planning in advance for growth regions such as the Northern Rockies. The Province of BC, for example, has invested in infrastructure for the Peace River district, and this has helped that region considerably.

**KEY INTERESTS IN THE REGION**

**PROVINCE OF BRITISH COLUMBIA**

- The Province of British Columbia has made clear its support for natural gas development. Moreover, BC is the only Canadian province to target the development of unconventional resources, including shale gas, as a priority.

BC’s oil and natural gas producers have been offered new incentives. The Province of BC recently announced a 2% provincial royalty rate for all wells drilled between September 2009 and June 2010, plus a 15% increase in the existing royalty deductions for deep gas drilling.

There is opportunity for development in the Northern Rockies, particularly in the Horn River Basin. The timing may be ideal for the Province, together with the Regional Municipality and First Nations, and with input from industry and the community, to address planning issues, including a regional development strategy.

**NORTHERN ROCKIES REGIONAL MUNICIPALITY**

- The Northern Rockies Regional Municipality was incorporated in February 2009. NRRM is a unique entity that came about through a voluntary amalgamation of the Town of Fort Nelson (created in 1971 as a resource municipality) and the regional district. The Municipality is now the regional authority for 10% of the land in BC and its intention is to take a unified approach to land use planning, property tax policies and business issues that fall within its jurisdiction.

In 2009 the NRRM introduced BC’s first fixed industrial tax ratios policy. NRRM now applies the same tax rate to utilities, light industry and major industry, and offers each the advantage of predictability and stability. This single-tier approach to taxation was supported by the Canadian Energy Pipeline Association (CEPA) and Canadian Association of Petroleum Producers (CAPP).

A 2007 capital needs assessment conducted by NRRM underscores the importance of infrastructure to secure a good quality of life for its citizens and to attract a suitable workforce and service industries, such as those expected for the Horn River Basin development.

NRRM has stated that it does not want to fund infrastructure through new taxation and is undertaking discussions with the Province of BC to pursue options for a provincial infrastructure investment.
The Northern Rockies

The Northern Rockies Regional Municipality and First Nations communities together span a large area of northeastern BC. Leaders in the communities are ready to work with natural resource industries to plan a healthy, prosperous future for the region.

TREATY 8 LANDS & THE NORTHERN ROCKIES REGIONAL MUNICIPALITY

THE NORTHERN ROCKIES COMMUNITY AGREEMENT

The Northern Rockies Regional Municipality and the local First Nations have a growing relationship based on cooperation and goodwill. The relationship of NRRM, Fort Nelson First Nation and Prophet River First Nation includes collaboration on local service delivery.

In July 2009 NRRM and FNFN signed the “Northern Rockies Regional Community Agreement.” This Agreement acknowledges the respective governance responsibilities, rights and interests of each party and commits them to working together to jointly represent regional and respective community interests. Both the NRRM and FNFN recognize the great tremendous potential for resource development, including that in the Horn River Basin. At the same time, they want to see projects advance with care.

HORN RIVER BASIN – AREA OF SHALE GAS RESERVES
The Northern Rockies region of BC lies within the traditional territories of Fort Nelson First Nation, Acho Dene Koe (Fort Liard First Nation) and Prophet River First Nation. Both Fort Nelson First Nation and Prophet River First Nation are signatories to Treaty 8, a treaty with the British Crown that they joined in 1910. Treaty 8 covers lands in northeastern BC, as well as certain lands in Alberta and Saskatchewan. The ongoing and future interests of these First Nations in managing their lands, communities, economic opportunities and quality of life are of pivotal importance when it comes to development in the region.

NATURAL GAS PRODUCERS

- Success in natural resource development calls for a high degree of collaboration among government authorities, producers and the community as a whole.

This will almost certainly prove true for shale gas, an unconventional resource that is the focus of production in the Horn River Basin.

NRRM and local First Nations in the region are building stronger relationships and working on shared service delivery, economic initiatives and infrastructure development. By formalizing a working agreement between them, the Fort Nelson First Nation and NRRM are creating an integrated, stable regional environment that is a benefit to investors and producers.

It is encouraging to see parallel efforts on the part of the industry. For example, the Horn River Basin Producers Group (HRBPG), came together in 2007. This group represents major industry players in shale gas production, including Apache Canada Ltd., Encana, Devon Canada Corp., EOG Resources Canada, Nexen Inc., Quicksilver, Imperial Oil Resources/ExxonMobil Canada, Stone Mountain Resources, Conoco-Philips, Pengrowth and PetroCanada. They facilitate cooperation and coordination between major producers and regulatory and community interests. This is a positive step, as there are many reasons for HRBPG to seek cooperation and collaboration with producer companies, the Provincial Government, the Regional Municipality, First Nations and other key interests.

The Northern Rockies Regional Municipality and Fort Nelson First Nation believe their community agreement holds promise of a bright future for the Northern Rockies. They now look forward to forging a strong working partnership among all interests in the region, and will invite industry, local government, First Nations and the Province of British Columbia to a common table. Together we can create a sound regional development strategy and find a way to secure the social, economic and environmental well-being of the Northern Rockies for all who now live, work and play here, and all who will come.

To learn more and to express interest in the initiative, please contact:

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IT’S TIME TO WORK TOGETHER

- The Northern Rockies is a region set for economic expansion. The Northern Rockies Regional Municipality and Fort Nelson First Nation are preparing to embrace change, including increased demand for infrastructure and services that is certain to accompany new natural gas exploration. They wish to ensure that issues are managed in the best interests of the region as a whole.

In accordance with their recent Regional Community Agreement, and a shared vision, the NRRM and FNFN plan to work together on establishing a stable, unified regional presence. They extend an open invitation to Prophet River First Nation and Acho Dene Koe to join this Agreement.

This is a critical time to bring together local government, First Nations, the Province of BC, the natural gas industry, other resource industries and interested members of the community to enhance the social, economic and environmental well-being of the region.

In the fall of 2009, NRRM and FNFN will begin a dialogue with multiple interests respecting new opportunities and a regional development strategy for the Northern Rockies region.