



## **The Path forward to Aboriginal Consultation in Alberta**

To establish Fair and Equal Competition with Open Access for all Service and Supply Contractors on a Province-wide basis within Alberta.

### **Who is the CAGC?**

The CAGC is 1 of 6 Business Associations within the Oil and Gas Industry in Canada. We represent 250 Member Companies with a total workforce of some 10,000 in the geophysical service and supply sub-sector. Our mandate is *“To develop and maintain a business environment in which the Geophysical and Support Industries can earn a fair rate of return on invested capital and provide new employment opportunities for Canadians.”* We are recognized as the leading voice for geophysical issues in Canada by all the jurisdictions.

### **What is the issue?**

Recently the Northern Oilfield Contractors Association has received media coverage with their issues concerning the inability Non-Aboriginal Contractors to provide legitimate oilfield business services in certain areas of Northern Alberta. Within our membership it is safe to say this issue concerns all of Alberta. In addition, this issue will affect all Contractors over time – Aboriginal and Non-Aboriginal - by removing the competitiveness in specific geographic areas and forcing individual companies to work within an area.

The issue has roots in the Constitution of Canada, which ensures the First Nations of Canada certain rights and privileges specific to the surface Land base and quite possibly the resources contained beneath. The definitions of these rights and privileges remain the focus of many court cases that, over time, work their way through the Provincial systems and into the Supreme Court of Canada. The subject is further blurred with the fact some areas have Treaties in existence but even these Treaties are open for legal interpretations.

Having said all of this, one thing is clear – the issue in Alberta is NOT going to go away. Given the concessions in other jurisdictions, the Resource Companies are already moving to Company – First Nation concessions. This is the natural symptom of the larger problem – the lack of a regulatory framework. This was also symptomatic of BC’s evolution to the current MOU framework.

The BC response allowed for some interim certainty but is a solution far from perfect. Non-Aboriginal labour intensive companies (i.e. slashers) were shut-out at an early stage and today even Aboriginal labour companies are rarely able to move from their own traditional areas. In BC the problems are increasing as the groups are strengthening faster than industry or government can respond.

BC's failure remains rooted in the inability for the system to allow the service industry in that province to compete in the normal and ethical business practise of open tender submission. Unfortunately perhaps the Service Associations have to take some blame here - we failed to represent the service sector at the regulatory table as BC moved into defining a consultation process. Essentially the Large Resource Companies and the Regulators defined the "B.C. solution" which made great concessions. The primary issue "Access to the Resource" failed to consider peripheral ideals such as endorsed in a competitive market.

Looking across this country we see a number of different models occurring. We wish to ensure "race" is not an issue or "the" issue. The CAGC feels it important to move ahead with a "win-win" solution.

As Alberta moves into what looks to be a watershed year in this process, we believe it is imperative that we take an active role in this development. We need to ensure the protection of the Service Sector.

### **Priorities – Gov't**

- Which Government Agencies should Industry be dealing with?
- Define Consultation
  - Time Limits (10 days Geophysical Approval currently)
  - Feeless Consultation (Use Capacity money)
  - Maps of the Traditional Areas / Overlap Areas
  - Archeology Requirements
  - Arbitration Board
- Level the Playing Field (As set-up by the Licensee)
  - Consistent Enforcement of the Rules / Laws
  - Use Royalties for capacity building and capitalization of Band Contractors
    - Audit Process for the money
    - Negotiate Deductions for the Province from Federal Transfer Payments

### **Priorities – Industry**

- Agreed upon strategy for Industry in dealing with the issue as a unified voice – CAGC, CAPP, SEPAC, CAODC, PSAC, CEPA, NOCA, AFPA, Others
- Level Playing field for sub-contractors
  - HSE Issues, COR, Training Standards, Inspections, Insurance, WCB, HSE
  - Safety versus Economics
- Media – Perception is Reality

## **Solutions**

1. We support a framework that will allow for open access to all areas in Alberta. We recognize that leveling the playing field will require raising some Band contractors to current industry standards, which is essential because failure to meet minimum health and safety levels has resulted in serious injury and fatalities. We believe a method involving royalties is the best solution – we point to recent moves by other jurisdictions along this path.
2. We believe money should be spent on a Study to consider successful Band models. While recognizing each Band is unique, it may be useful to access other models that work. Perhaps the Provincial Government and/or CAPP would fund such a study. Some examples – WestBank, BC; Slave Lake, AB; Fort Nelson, BC
3. We recognize Aboriginals as the largest untapped labour force in this country. Perhaps incentives could be provided for Industry to train Aboriginals with models based on attendance and performance. Licensee companies could also provide such incentives by awarding work to sub-contractors with active aboriginal employment programs.
4. We recognize there are cultural differences between the Aboriginal culture and the traditional European business practices. We would support and help develop Cultural Awareness Training for both Aboriginal and Resource Industry Companies.

By working together, we can achieve a solution that will benefit all.

From The Thursday Files:

***The time to repair the roof is when the sun is shining.***

- JFK