

**Pursuing an Agreement with the  
Federal Government on the Management of the Offshore Resources**

Mr. Speaker, the Government of the Northwest Territories made a commitment in its mandate to pursue an agreement with the federal government on the management of offshore resources.

As Members are aware, in late 2016, the Government of Canada took a significant potential economic development opportunity off the table when they declared a moratorium on offshore oil and gas development in the Beaufort. While I understand the reasons for his decision, the Prime Minister's announcement of a moratorium in the Arctic Canadian waters was disappointing. Equally disappointing was the lack of consultation on the part of the federal government prior to coming to a decision that has the potential to significantly affect the future development in the territory and the lives of the people who live here.

Our economy depends heavily on resource development as the major contributor to our GDP and a source of jobs and income for our residents. Ensuring that there are options for Northerners and economic development alternatives must be part of the decision making process. One of the ways we can ensure our people have good options is by working in partnership with Nunavut and Yukon on a pan-territorial sustainability and development strategy. I have spoken about the need for a strategy like this with the Prime Minister and he has indicated the Government of Canada is willing to work with us to develop comparable opportunities for our residents.

Mr. Speaker, despite the moratorium, advancing negotiations for the management of offshore resources remains a priority for the Government of the Northwest Territories. Yes, there is currently limited offshore activity in Canadian Arctic waters and given the cost of

production in the Arctic, world prices would need to substantially improve to make Arctic extraction viable. However, it is important that we do not sit back and wait for the economy in the Arctic to 'get better'.

Based on current market conditions, Imperial Oil has suggested a maximum remaining field life of ten years for its Norman Wells operation. The temporary shutdown of its facilities in February has emphasized just how critical a permanent closure would be for the governments, communities and people that are reliant on the investment that is realized from exploration and development in this sector.

In my view, the low level of resource development occurring presents us with an opportunity to invest our efforts now in developing a management regime for the offshore, including sharing resource revenues, that will be well supported by the people of the Northwest Territories should activity levels increase.

The time is right to get on with these negotiations, Mr. Speaker. This is the message that I have conveyed to the Prime Minister and I look forward to receiving his positive response in the near future.

I am optimistic that, with a renewed commitment from all parties, we can proceed quickly in our negotiations for the management of oil and gas resources in the Beaufort Sea in a manner that balances economic and environmental considerations, and respects the interest of all parties, particularly those of us who live and work in the North.

Thank you, Mr. Speaker.