The proposed 1,170 kilometre-long Enbridge Gateway Pipeline project would stretch from the Alberta tar sands to a marine terminal at Kitimat and would result in an estimated 225 crude oil and condensate tankers a year travelling through the territories of Pacific coastal First Nations. The project proposal engages the jurisdiction and lawful authority of dozens of First Nations, from the Dene and Cree peoples of the Athabasca River basin in the east to the Haida in the west, as well as the nations who rely on the health of the Fraser, Skeena, and Mackenzie Rivers and their tributaries.

Decision-making about this project brings into play section 35(1) of the Canadian constitution, which recognizes and affirms Aboriginal and Treaty Rights and imposes a duty of honourable consultation and accommodation on the Crown.

The Crown’s decision-making responsibility over the pipeline, which comes from statutes including the Canadian Environmental Assessment Act (CEA Act) and the National Energy Board Act (NEB Act), is different from and subject to its constitutional duty to consult. As a result, the Crown must complete its consultation with affected Treaty 8 First Nations, in a way that fulfills the duty, before it makes a decision on the project.¹

THE CONSULTATION PROCESS PROPOSED BY THE CROWN IS FLAWED

The Crown’s proposed approach to consultation is contained in a February 2009 document entitled “Approach to Crown Consultation for the Northern Gateway Project.” This document was unilaterally developed and sent to some First Nations around February 9, 2009. It states that:

“For the Northern Gateway Project, the Crown will rely on the consultation efforts of the proponent and the Joint Review Panel (JRP) process, to the extent possible, to meet the duty to consult.”

The proposed terms of reference for the JRP are set out in a draft agreement between the Canadian Environmental Assessment Agency (CEAA) and the National Energy Board (NEB). The JRP itself would be made up of three permanent or temporary members of the NEB. Among other things the JRP would hold public hearings to consider any project-related issues within the mandate of the NEB Act and CEA Act. The Crown considers the JRP the “key assessment and decision-making body for the project.”

The CEAA is identified as the point of contact for the Crown for any leftover or ‘residual’ matters raised by First Nations that lie outside the mandate of the JRP. However, the only ‘residual' consultation specifically offered is on the final report of the JRP before it goes to Cabinet for decision. In the February 2009 document First Nations were informed that: “There is no separate or parallel process to deal with issues within the JRP mandate.”

The flaws in the Crown’s consultation process: The approach proposed by the Crown has a number of serious shortcomings when viewed in light of Crown's constitutional duties to First Nations. These concerns can be summarized as follows:

1. **The Crown’s proposed approach to consultation on the Enbridge project was unilaterally developed without First Nations involvement.** The courts have held that “the first step in the consultation process is to discuss the process itself.” While the Crown has requested First Nations’ comments on the draft terms of reference for the JRP, to date the Crown has not been prepared to negotiate changes to its overall framework for First Nations consultation. In particular, there has been no meaningful consultation on the preliminary question of the appropriate role of the JRP, if any, in meeting the Crown’s constitutional duties. In addition, the Crown has not engaged First Nations upriver and downriver of the pipeline, whose rights may be affected even though their territories are not on the pipeline route.

2. **The Crown’s proposed approach to consultation disregards the mutual promises of Treaty 8.** The proposed Enbridge pipeline project would involve the “taking up” of Treaty 8 First Nations lands, and have significant impacts on the hunting, trapping and fishing rights guaranteed by the treaty (both during construction and due to inevitable oil spills). The Supreme Court of Canada has held that in such circumstances the Crown is required to provide a consultation and decision-making process that is “compatible with the honour of the Crown,” and that this obligation is embedded within Treaty 8 itself. The honour of the Crown infuses Treaty 8, and the performance of every treaty obligation. By deciding to use the JRP process without consulting First Nations, the Crown has likely breached its treaty obligation to provide a process that deals honourably with First Nations.

3. **The Crown’s proposed approach treats First Nations consultation as an ‘afterthought’ to standard public participation requirements.** CEAA and NEB have statutory obligations regarding public participation in the JRP process; however, the JRP process engages First Nations only indirectly as a subset of the public. The only distinct First Nations consultation offered is late in the day after the Environmental Assessment Report has been completed, and then only on the ‘residue’ of issues that have not been addressed by the JRP or the proponent. This is not consistent with the Crown’s duties as outlined by the courts.

4. **The JRP has no mandate to conduct First Nations consultation or to fully assess potential impacts on Aboriginal and Treaty Rights.** Before federal authorities can

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2 *Gitxsan First Nation v. BC (Minister of Forests)*, 2004 BCSC 1734 at para. 113; *Huu-Ayg-Aht First Nation v. BC (Minister of Forests)* 2005 BCSC 697 at para. 123. Recent litigation with respect to the Mackenzie Gas Pipeline suggests that the duty to consult and accommodate with respect to the Enbridge Gateway project was likely triggered at a very early stage, when the agencies involved initially contemplated proceeding by way of Joint Review Panel and other decisions about process design: *Ministry of Environment et al. v. Dene Tha’ First Nation*, 2006 FC 1354 at para. 110, aff’d 2008 FCA 20. In *Carrier Sekani Tribal Council v. British Columbia (Utilities Commission)*, the BC Court of Appeal recently confirmed that the process of consultation requires discussion at an early stage of a government plan that may impact Aboriginal interests, before a decision crystallizes, “so that First Nations do not have to deal with a plan that has become an accomplished fact”: 2009 BCCA 67 at para. 52.

3 “The Court must first consider the process by which the “taking up” is planned to go ahead, and whether that process is compatible with the honour of the Crown. If not, the First Nation may be entitled to succeed in setting aside the Minister’s order on the process ground whether or not the facts of the case would otherwise support a finding of infringement of the hunting, fishing and trapping rights”: *Mikisew Cree First Nation v. Canada* (Minister of Canadian Heritage), 2005 SCC 69 at para. 59.

4 Ibid. at para. 57.

5 For example the draft JRP agreement refers throughout to “the public, including Aboriginal People.”

6 While First Nations have been given a longer period of time than the general public to review and comment on the draft JRP agreement and terms of reference, the level of input into decision on the JRP’s mandate is no deeper than that which is available to the general public.

7 *Mikisew Cree* at para 64.

issue approvals for the Enbridge pipeline, CEAA must conduct an environmental assessment. However, the CEA Act limits this assessment to impacts on current First Nations land uses and cultural heritage, not the full scope of potentially affected Aboriginal and Treaty Rights. While the JRP also has the power under the NEB Act to consider the public interest and any other relevant factor in deciding whether a Certificate of Public Convenience and Necessity should be issued to approve the pipeline, impacts on Aboriginal and Treaty Rights are not among the considerations explicitly listed in the NEB Act, which focuses on more narrow financial and economic considerations.

The courts have held that there is a “duty to focus on the relevant issues” in consultation with First Nations. The JRP does not have the mandate to do so with respect to Aboriginal and Treaty Rights.

(5) The Enbridge Gateway pipeline raises issues that require higher, strategic level assessment and consultation beyond the scope of the proposed JRP process. According to the Supreme Court of Canada’s Haida decision, the Crown has a duty to consult at high level of strategic planning for utilization of resources. Consultation at the operational or project-specific level may have “little effect” if First Nations have not been honourably consulted at the strategic level. For the Enbridge Gateway pipeline, a strategic level assessment process is required that first addresses policy considerations relevant to “whether” the project should proceed, rather than “how.” Such strategic questions include whether Canada’s energy policy should restrict the expansion of the tar sands and related infrastructure like the Enbridge Gateway pipeline, given Canada’s international commitments to reduce greenhouse gas emissions, and the impacts of global warming and tar sands development on First Nations’ ability to exercise their Aboriginal and Treaty Rights. Another policy question is whether to lift the longstanding federal policy moratorium on crude tanker traffic, given the potentially devastating impacts of oil spills on First Nations and their territories.

In contrast, the CEA Act does not require a strategic environmental assessment. Given that over 99 percent of projects submitted to CEAA are approved, it seems clear that the CEAA process fails to effectively answer the question of “if” a project should proceed, focusing instead on “how” a project should be built. In addition, the proposed terms of reference do not address the issues of tar sands and climate change, and it is uncertain whether oil tanker and shipping issues will be dealt with comprehensively. Based on Haida, honourable consultation and accommodation with respect to these higher-level, strategic decisions may be required before the federal Crown can lawfully begin a project-specific review of the Enbridge Gateway pipeline project.

(6) The Crown’s proposed approach involves inappropriate delegation to the applicant/proponent. In Haida, the Supreme Court of Canada held that: “The honour of the Crown cannot be delegated” to third parties. While “[t]he Crown may delegate procedural aspects of consultation to industry proponents seeking a particular development... the ultimate legal responsibility for consultation and accommodation rests with the Crown.” However, policy documents from the NEB indicate that it relies almost exclusively on the

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9 The course of action recommended by the JRP’s Environmental Assessment Report must also be approved by the federal Governor General in Council (Cabinet).
10 The CEA Act defines “environmental effect” as including effects of changes to “physical and cultural heritage” and “the current use of lands and resources for traditional purposes by aboriginal persons.”
12 Haida at para. 76.
13 Ibid.
14 Ibid. at para. 53.
company who is planning the project to consult with First Nations. The company is then expected to provide evidence of its engagement with First Nations to the NEB (or JRP), who then assesses the consultation and accommodation efforts of the company in its recommendations/decision. This approach is echoed in the “Approach to Crown Consultation for the Northern Gateway Project” document.

The implication is that the proponent has the principal substantive obligation of consultation, with the Crown merely dealing with the ‘residue’ or any outstanding issues. This seems directly at odds with direction of the Supreme Court of Canada in *Haida*.

While the Crown has already set out on its chosen path without adequately consulting, First Nations possess a number of legal and political tools that could be used to change the direction of the process. As a starting point, it is important for Treaty 8 First Nations to raise their concerns with the Crown’s proposed approach to consultation on the Enbridge project, and indicate their interest in negotiating and participating in a more meaningful process. The impact of concerns raised and the effectiveness of resulting negotiations is likely to be increased by unified action by a number of First Nations.

The Crown has an obligation to make genuine efforts to address First Nations concerns about the process, and to be willing to alter its current process proposals in response to consultation. This will require a process of back and forth and dialogue that has not occurred to date. If the Crown is not responsive to First Nations requests to negotiate an amended or alternative approach to consultation before finalizing the terms of reference for its review process, it may be vulnerable to legal challenge.

First Nations may also wish to advance their own proposals for a process that would respect the lawful responsibilities and duties of both First Nations and the Crown. Such proposals should address:

- How First Nations will be engaged in higher level strategic policy decisions relevant to the Enbridge project
- How First Nations and the Crown will assess potential impacts on all aspects of Aboriginal and Treaty Rights (including the role of Indigenous knowledge and independent science in this assessment)
- The process that First Nations and the Crown will use to make their respective decisions about the project
- The process that will be used, if necessary, to reconcile the decisions of the Crown and First Nations
- What mechanisms will be used to ensure compliance with decisions made

Communications with the Crown regarding its proposed consultation process can be sent to:

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160 Elgin Street, 22nd Floor, Ottawa, ON K1A 0H3
Tel.: 1-866-582-1884, Fax: 613-957-0941 E-mail: gateway.review@ceaa-acee.gc.ca

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16 “Responsiveness is a key requirement of both consultation and accommodation”: *Taku River Tlingit First Nation v. BC (Project Assessment Director)*, 2004 SCC 76 at para. 25.