

EXECUTIVE SUMMARY

Final Report of the Panel for the Substituted Environmental Impact Review of the Proposal to Construct the Inuvik to Tuktoyaktuk Highway Developer: Hamlet of Tuktoyaktuk, Town of Inuvik and Government of the Northwest Territories

This report sets out the decision and recommendations of the Panel established by the Environmental Impact Review Board (EIRB) under the Inuvialuit Final Agreement to complete a review of the proposed Inuvik to Tuktoyaktuk Highway (ITH). The Project includes the activities and infrastructure associated with the construction, operation and maintenance of a 140-kilometre all-weather gravel highway from the Town of Inuvik to the Hamlet of Tuktoyaktuk, located in the Inuvialuit Settlement Region of the Northwest Territories. The Developer for this Project collectively is the Hamlet of Tuktoyaktuk, Town of Inuvik and Government of the Northwest Territories (Developer).

The Project was reviewed in accordance with s.11 of the IFA and subject to a substituted environmental review process under the *Canadian Environmental Assessment Act* (CEAA). In conducting this substituted review, the EIRB was responsible for meeting the requirements of both the IFA and the CEAA. The Project was referred to the EIRB on April 27, 2010 by the Environmental Impact Screening Committee, on the grounds that the proposed development had the potential for significant negative impacts on the environment and on Inuvialuit harvesting due to the potential for cumulative impacts.

During the review, the Developer filed an Environmental Impact Statement and supplementary evidence identifying the impacts that could occur as a result of the Project. This analysis addressed biophysical and socio-economic impacts of importance to the region. Evidence and recommendations were also received from registered Parties, community representatives, Elders, members of the public and intervenors throughout the review. This included hearing from community members in Inuvik and Tuktoyaktuk during the Panel's public hearings. Having carefully considered the evidence and information before it, the Panel has concluded that this development should proceed, subject to the commitments made by the Developer and the measures recommended by the Panel in this report. These recommended measures are necessary to prevent or mitigate the adverse environmental effects which would otherwise result from the Project.

Upon the review of the record in this proceeding, it is clear to the Panel that the development will generate significant benefits for the Inuvialuit Settlement Region, affected communities and the Northwest Territories. These economic and socio-economic benefits include not only economic stimulus to the local and territorial economies but employment, training and the resulting improvements in the lives of residents of the region. In addition to these tangible benefits, the Project will yield important intangible benefits, both territorially and nationally. This highway Project will result in the construction of a key piece of public infrastructure which will benefit the region over the long term and should eventually be important to the oil and gas industry. The highway may also be important from the standpoint of national sovereignty, representing the last link in a highway system from sea to sea to sea, connecting the Beaufort Sea and the Arctic by road to the rest of Canada.

Despite the important benefits which will result from the Project, the Panel has determined that it will cause impacts on the environment. They include impacts on habitat and wildlife such as caribou and grizzly bear, species of great importance to Inuvialuit. The Panel has also

determined that impacts will result from highway construction and aggregate extraction activities including impacts on the sensitive terrain crossed by the highway. These impacts along with any potential impacts to the Husky Lakes must, in the Panel's view, be carefully mitigated, monitored and managed. The Panel's review of the environmental components of the Developer's Environmental Impact Statement (EIS) unfortunately led to concern about the quality of this assessment and the certainty of the impact predictions made by the Developer. In order to address these concerns and ensure that all significant impacts are mitigated, the Panel has recommended that an adaptive management approach be adopted to minimize and manage the environmental impacts of the Project. The Panel also recommends the establishment of an Independent Environmental Monitoring and Oversight Committee (IEMOC). This Committee should be established and adequately funded prior to construction to provide oversight on all aspects of environmental management and to provide a vehicle for community involvement in Project monitoring activities. The IEMOC would oversee the Developer's performance in meeting its commitments, and oversee the design and implementation of a comprehensive Environmental Monitoring and Management Plan which would be integrated into an adaptive management framework in order to mitigate Project impacts.

The Panel recognizes that for this ITH Project, the responsibility for ensuring environmental protection in order to prevent damage to wildlife and its habitat and to avoid disruption of Inuvialuit harvesting, rests with the co-management bodies and Inuvialuit organizations. Inuvialuit land claim institutions share these environmental protection responsibilities with the regulatory authorities that will issue authorizations for the Project to proceed. By working together to implement the recommendations set out in this report, and coordinate their Project management activities the Panel is confident that these Inuvialuit and government organizations will ensure that the environment is protected and that regional and local benefits are realized. The Panel has determined that the potential adverse effects of the Project can be mitigated and properly managed if the Panel's recommendations and the Developer's commitments are implemented.