

## **AGREEMENT WITH INNU NATION OF LABRADOR BACKGROUNDER**

In February 2010, representatives of the Innu Nation, Innu Band Councils, the Government of Newfoundland and Labrador and Nalcor Energy initialed the following documents contemplated by the Tshash Petapen Agreement:

- Bilateral NL-Innu Nation land claims agreement-in-principle (federal issues to be resolved)
- Lower Churchill Project Impacts and Benefits Agreement (IBA)
- Upper Churchill Redress Agreement

Negotiations had been ongoing between the Innu Nation and the Government of Newfoundland and Labrador for many years. The bilateral Land Claims Agreement-in-Principle, the Lower Churchill Innu IBA and the Upper Churchill Redress Agreement were finalized and initialed in February, 2010 and were negotiated at the most senior levels of Innu Nation, the Government of Newfoundland and Labrador and Nalcor Energy.

Highlights of the initialed agreement include:

### **Land Claim Selection**

- 5,000 square miles - Labrador Innu Lands (Category I)
  - The Innu will have legal title to these lands
  - Jurisdiction to make laws in relation to specified matters
  - Resource royalty sharing
  - Impacts and Benefits Agreements (IBAs) on developments
- 9,000 square miles -Labrador Innu Settlement Area outside Labrador Innu Lands (Category II)
  - Crown land, in which the Innu will have special rights and benefits concerning resource royalty sharing, consultation on environmental assessment, economic development and IBAs on major projects
- 13,000 square miles – Permit Free Hunting Area (Category III)
  - Areas where the Innu people may harvest wildlife without having to apply for, pay for or carry a provincial license
- 9,000 square miles - Defined Economic Development Areas
  - The Innu will be able to enter into IBAs on most major developments.

## **Upper Churchill Redress Agreement**

- The agreement provides compensation to the Labrador Innu for impacts associated with the Churchill Falls development.
- Under the Churchill Falls Hydroelectric Development Redress Agreement, commencing on the execution of the IBA and until 2041, Nalcor will make an annual payment (the Settlement Payment) to Innu Nation of two million dollars (\$2,000,000.00). This amount will be increased annually at a rate of two and one-half percent. After 2041, Innu Nation will be entitled to receive 3% of Nalcor's annual dividend share of revenues from the Upper Churchill development.
  - If the Power Contract changes prior to 2041, Innu Nation will be given the option to revert to the percentage of revenue from the Lower Churchill Project established for post 2041
- The agreement provides the Government of Newfoundland and Labrador and Nalcor Energy with a comprehensive release and indemnity against claims by the Labrador Innu relating to the Churchill Falls development.

## **Lower Churchill Project IBA**

- The Innu Nation was given the option of taking an equity position in the Lower Churchill Project or an equivalent royalty and has chosen the royalty option:
  - 5% of net project revenue
  - \$5.0 million per year payable upon Project sanction until first commercial power.
  - A guaranteed minimum royalty beyond 10 years after sanction
- Employment and training participation objectives in place for construction and operations
- A target of \$400 million in contracts for Innu businesses or a penalty if target is not met
- Joint Nalcor-Innu environmental management committee responsible for:
  - environmental policies
  - Environmental Management System
  - Consideration of Innu knowledge
- Nalcor Energy and the Government of Newfoundland and Labrador receive a comprehensive release and indemnity from the Labrador Innu related to the construction and operation of the Lower Churchill

## **Next Steps**

The three agreements are subject to ratification on a schedule to be determined by Innu Nation, and the Innu Land Claims Agreement is also subject to negotiations with the Government of Canada prior to finalization and presentation for ratification.

Agreements will become binding upon ratification by the Innu of Labrador by community referendum followed by signing of the Agreements by the relevant parties. The process for Innu ratification is set out in Chapter 6 of the IBA which provides for a community referendum following a period of public consultation. The three agreements will be approved by the Innu of Labrador if: a majority of eligible voters in Sheshatshiu and Natuashish participate in the referendum; and at least 60% of the votes cast in each community support execution of the Agreements. If the referendum fails because less than a majority of eligible voters participate in the vote, Nalcor and Innu Nation will meet to determine an appropriate course of action which may include the holding of a second ratification vote. This process has been agreed to by the Government of Newfoundland and Labrador, Nalcor Energy and Innu Nation.