



NORTHWEST BRITISH COLUMBIA
RESOURCE BENEFITS ALLIANCE



BACKGROUNDER

NORTHWEST BRITISH COLUMBIA RESOURCE BENEFITS ALLIANCE

The Regional District of Kitimat-Stikine (RDKS), the City of Terrace, the Districts of Kitimat, Stewart and New Hazelton, the Village of Hazelton, and all RDKS Electoral Area Directors have formed the Northwest British Columbia Resource Benefits Alliance (the “Resource Benefits Alliance” or “RBA”). Provision has also been made for other interested communities to join the RBA.

The Resource Benefits Alliance will pursue resource benefit sharing discussions and negotiations with the provincial government, federal government where applicable, and major resource companies in respect of major resource development in Northwest BC.

RBA communities have important government responsibilities across an area of 100,000 square kilometres in northwestern British Columbia (“Northwest BC”) including:

- (a) providing for good government of their communities,
- (b) providing for services, laws and other matters of community benefit,
- (c) providing for stewardship of the public assets of their communities,
- (d) fostering the economic, social and environmental well-being of their communities, and
- (e) ensuring that major resource development does not put the long term sustainability of communities at risk;

Northwest BC is experiencing an unprecedented level of resource development with numerous major projects at various stages of development including LNG plants, oil and gas pipelines, oil refineries, port facilities, container facilities, rail transport, new or expanded mines, upgrades to the Rio Tinto Alcan smelter, forestry, hydroelectric projects, transmission lines, and related residential, commercial and retail development (“major resource development”).



NORTHWEST BRITISH COLUMBIA
RESOURCE BENEFITS ALLIANCE

This major resource development will result in significant temporary and permanent population increases and has serious direct and indirect economic, social, health, environmental and heritage impacts on all RBA communities.

In order to obtain social license for major resource development, the provincial government, federal government, and major resource companies must share the benefits of major resource development with RBA communities by providing access to new long term sustainable revenue sources sufficient to:

- (a) fully address infrastructure deficits and needs, both now and into the future,
- (b) fully address all other impacts associated with major resource development, and
- (c) provide significant legacy resources to Resource Benefits Alliance communities.

Benefit sharing agreements can be structured to supplement and not adversely impact the property tax base of RBA communities, to maintain current levels of funding available for other government programs, and leave the competitiveness of major resource companies unaffected. Benefit sharing arrangements could include:

- (a) new long term sustainable provincial and federal grant programs,
- (b) an equitable share of revenues from each industrial sector and major project,
- (c) a fair share of industrial tax revenue from the industrial tax base outside municipal boundaries,
- (d) improved grants-in-lieu or payments in lieu where applicable, and
- (e) bi-lateral agreements with major companies;

Numerous precedents exist for resource benefit sharing arrangements including the 1995 Columbia Basin Trust. For more information on the Columbia Basin Trust go to www.cbt.org

RBA communities believe it is critical to immediately commence negotiating resource benefit sharing arrangements. The provincial government and major resource companies will then be able to factor RBA revenue sharing considerations into public policy decisions and final investment decisions due in Fall 2014 and early 2015.

One of the RBA's first priorities is to negotiate revenue sharing. In June 2014, Premier Christy Clark instructed the Minister of Community, Sport and Cultural Development, Parliamentary Secretary Donna Barnett and the Ministry of Forests, Lands and Natural Resource Operations to work on the creation and implementation of revenue sharing as promised in the BC Liberal Election Platform - Strong Economy, Secure Tomorrow. This is described in the following way:

“In recognition of the critical role rural British Columbia plays in generating wealth and economic opportunity for the province, commence revenue sharing discussions with rural resource communities, especially those in Northwest B.C. to help them prepare for future growth.”

Early access to resource benefits is going to be critical. RBA communities must have the financial resources necessary to mitigate projected impacts and take full advantage of the projected opportunities presented by major resource development before, not after, the fact.

July 29, 2014