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January 28, 2014

The Public Utilities Board of Manitoba
Attention: Mr. Hollis Singh, Executive Director and Board Secretary
400 - 330 Portage Avenue
Winnipeg, MB R3C 0C4

Dear Mr. Singh:

Re: NFAT - Socio-Economic Impact Proposal

CAC MB is writing to:

- Propose the presentation of written socio-economic evidence in this hearing to be filed on March 14, 2014;
- Present a proposal for a schedule related to this evidence which enables it to be fairly tested; and,
- Encourage the Public Utilities Board to find a mechanism to enable the reception of evidence from persons likely to be significantly affected by the Preferred Development Plan including Elders and traditional land users.

Background

The PUB Terms of Reference in this proceeding invite the Board to assess:

"2 (h) The Socio-Economic impacts and benefits of the Plan and Alternatives to Northern and Aboriginal communities."

In Order 92/13, the Board determined that a socio-economic review of the NFAT would encompass:

A critical analysis of the socio-economic impacts and benefits of Manitoba Hydro's Preferred Development Plan and Alternative Plans. Specifically, a high level summary of potential effects to people in Manitoba, especially Northern and Aboriginal communities, including such things as employment, training and business opportunities; infrastructure and services; personal family and community life; and resource use.

In November, 2013, after reviewing the Hydro filing and consulting with other interveners, CAC MB became concerned that the PUB would not have an adequate record to perform a critical analysis of socio-economic impacts and benefits. It conveyed its concerns to the PUB. On November 26, 2013, the PUB advised CAC MB that it was prepared to consider a proposal for further analysis and evidence relating to this issue.

Over the past two months, CAC MB with its legal team and consultants has taken a number of steps aimed at finding a mechanism to provide an adequate evidentiary basis for the critical analysis of socio-economic impacts. These steps have included:

- An extensive series of discussions with the MMF and MKO regarding their plans with regard to socio-economic analysis and the potential for cooperation and collaboration;
- Discussions with other persons familiar with the actual and potential effects of historic, current and proposed hydro-electric development activity on northern and aboriginal communities in Manitoba;
- Discussions with Ms Marla Orenstein of Habitat Health Impact Consulting on the implications of major resource development projects on infrastructure and services as well as upon personal, family and community life;
- Discussions with Dr. Jerry Buckland and Dr. Melanie O'Gorman on the benefits, challenges and risks which may flow from major resource development projects including potential effects related to employment, training and business opportunities;
- Preliminary discussions with persons who have different perspectives on hydro-electric development on the Nelson River system including traditional land users and Elders;
- Hosting separate focus groups to discuss the implications of major resource development both from a northern and remote First Nation perspective as well as from a southern perspective;
- Hosting an advisory group with input from a variety of sources including environmental, senior and indigenous perspectives;
- Hosting a one day inter-disciplinary discussion of economic and health impacts with experts and with guest input from a source familiar with the historic and current implications of hydro-electric development on remote and northern communities;
- Reviewing the submissions made in the Keeyask EIS by the KHLP and by funded participants including traditional land users and Elders.
- Reviewing the evidence of the independent experts retained to comment on socio-economic matters in the NFAT;
- A preliminary consideration of international good practice;
- Writing to the Fox Lake Cree Nation to invite its input into any proposed evidence; and,
- Discussions with others who sought to intervene in the PUB proceeding including those

seeking to present the perspectives of traditional land users and Elders who have reservations about the Preferred Development Plan.

CAC MB also has had the opportunity to review the comments of the Cree Nation partners of Hydro relating to any proposed socio-economic evidence preferred by CAC MB and to undertake an extensive series of discussions with regard to these comments.

Preliminary Comments with Regard to Socio-economic Impacts Flowing from Resource Development Projects

Based on its review of this information, CAC Manitoba can offer the following preliminary observations:

- The historic record of major hydro-electric projects suggests a mixed outcome in terms of positive and negative benefits with socio-economic impacts that have often differed significantly from original predictions;
- The recent experience of the Wuskwatim partnership suggests a mixed outcome in terms of positive and negative benefits with socio-economic impacts that have often differed significantly from original predictions;
- Given the high level of unpredictability associated with the impacts of major resource development, there is an emerging view that it is critical to move towards legacy models and away from mitigation and compensation models;
- Within remote and northern communities, it is likely that there will be an uneven distribution both of benefits and of the adverse effects of major resource developments. Certain traditional land users are among those who may be particularly adversely effected;
- The ultimate success of major resource development projects from a socio-economic perspective cannot be meaningfully predicted without an understanding of how the positive and negative effects will be distributed; and,
- Central to the understanding of the socio economic effects of any major resource development project is an understanding of the risks and opportunities related to human health as a central aspect of personal, family and community life.

The Current State of the Record

Based on its preliminary view of the evidence of Manitoba Hydro and the socio-economic Independent Expert, CAC MB is concerned that the current record before the PUB will not enable the Board to make informed recommendations to the Province in terms of "the Socio-Economic impacts and benefits of the Plan and Alternatives to Northern and Aboriginal communities."

With all due respect to the efforts of both Hydro and of the socio-economic Independent Expert in this regard, it is the view of CAC MB that the socio-economic evidence filed to date:

- Fails to provide an adequate basis to evaluate the socio-economic uncertainty associated with any major resource development plan including the Preferred Development Plan;
- Fails to provide an adequate high level summary of the potential adverse effects and benefits of the Preferred Development Plan which is needed for the alternatives analysis;
- Fails to provide insight into the distribution of benefits and impacts under the Preferred Development Plan in order for it to be weighed against alternatives; and,
- Fails to provide meaningful insight into the implications for those who may be adversely effected by the Preferred Development Plan.¹

With regard to any existing high level summary of the potential adverse effects and benefits of the Preferred Development Plan, CAC MB is not confident that the evidence filed to date adequately summarizes either the potential socio-economic benefits or the potential adverse effects.²

In the view of CAC MB, the current record before the Public Utilities Board does not allow for a determination of the socio-economic risks, benefits and impacts of the Preferred Plan or of its leading alternatives.

The CAC MB Proposal

From the outset of this proceeding, CAC MB has stated its preference for evidence relating to impacts on northern and aboriginal communities to be led by organizations representative of aboriginal organizations in Manitoba.

CAC MB is engaged in ongoing discussions with both the MMF and MKO and is open to any collaborative opportunities that are available. At the current time, it is the understanding of CAC MB that while all three interveners are anxious to minimize duplication, all believe that the record will best be served by separate filings on socio-economic issues. Based on extensive discussions with the MMF and MKO, CAC MB is confident that its proposed evidence will not duplicate their evidence.

1 From the Keeyask Hearing for example, please see a discussion of the implications for resource users (Anderson, "Keeyask Hearing", November 6 2013 at p 2249), Elders concerned for lake sturgeon, (Beardy "Keeyask Hearing" December 12 2013 at p 6226-7) and Elders concerned for caribou (Massan, "Keeyask Hearing", December 11 2013 at p 6100).

2 For example, it could be argued that the evidence of the socio-economic Independent Expert fails to adequately represent the benefit in terms of increased capacity that might flow to certain communities.

The proposal of CAC MB is designed to provide an evidentiary and analytic basis for weighing the risks, benefits and adverse impacts potentially associated with the Preferred Plan against alternatives. This proposal is presented under the heading Panel 1.

The proposal of CAC MB also will consider mechanisms to enable the voices of certain persons directly affected by the project to be heard.³ These voices include the perspectives of traditional land users and of Elders who may wish to express reservations about the Hydro Preferred Plan. CAC Manitoba would strongly recommend that the Public Utilities Board consider granting intervenor status to prior applicants who sought to bring the perspective of harvesters or Elders to these proceedings.

In the event the PUB chooses not to grant intervenor status to groups representing harvesters or Elders, CAC Manitoba has been asked to facilitate testimony presenting the perspective of certain traditional land users and Elders. While CAC MB recognizes this is an imperfect substitute, they would be honoured to facilitate such a request. In their respectful view, this is likely to be among the most important perspectives the PUB will hear during this proceeding. This proposal is presented under the heading Panel 2.

Proposed Panel 1

The CAC MB team intends to produce a high-level study which addresses both the uncertainties and potential effects of Manitoba Hydro's Preferred Development Plan (PDP). Socio-economic issues as defined by the PUB will be addressed from both an economic and a human health perspective.

a) the economic perspective

This evidence will present:

- A brief history of hydro-electric resource development both in Canadian communities and in developing countries. Taking into account evolving perspectives of hydro-electric resource development and its socio-economic impacts, this section will introduce the World Bank good practice framework;
- A summary of the PDP and principal alternatives with a particular focus on the potential implications of the Keeyask and Conawapa projects for northern and indigenous peoples. A high level summary of the socio-economic and economic strengths, weaknesses and risks of the Manitoba Hydro model of development will be presented;⁴

3 CAC MB observes that legal counsel for the Keeyask Cree Nations have expressed an interest in having their voices directly heard in this proceeding.

4 The summary of the Hydro model strengths and weaknesses will include a consideration of Socio-Economic Advantages and Challenges including Joint Resource Development, Sharing of Hydro Benefits; Training and Employment Creation, Disruptions to Traditional Livelihoods and Economic Development and Compensation. Economic Impact considerations will include a discussion of labour income, business opportunities and investment income.

- An overview of perspectives of the Manitoba Hydro model of natural resource development informed by select key informant interviews and existing written materials;⁵ and,
- An assessment of these perspectives compared to World Bank good practice with appropriate recommendations.

This team is currently led by Dr. Jerry Buckland and Dr. Melanie O'Gorman. CAC MB hopes to add another lead author to this team who has particular experience in remote northern First Nations. Her addition to the team will not add to the overall cost. Expert costs for this research are estimated to range between \$40,250 and \$47,250 plus travel. Brief biographies of the current proposed witnesses are set out in Appendix A to this letter. Their *curriculum vitae* are set out under separate cover.

b) the human health perspective (personal, family and community life)

The objective of this review is to develop a report that identifies and explains the health issues that would be expected to result from a project of the type that Manitoba Hydro is proposing with specific reference to the cultural and geographic context of Manitoba.⁶

The review will not be geared to the project parameters specifically but will take into account the type of development, the scale of mobile workforce needed, the timeline of the proposed projects and other details as available. The report will discuss the potential positive and negative effects of development on a wide range of community health outcomes that may include:

- Health effects associated with social and economic change;
- Infectious disease transmission;
- Diet and nutrition;
- Injury and public safety;
- Stress and mental wellbeing;
- Health care service provision; and,
- Aboriginal health.

This team will be led by Ms Marla Orenstein and Dr. Murray Lee of Habitat Health Impact Consulting. It is estimated that costs for this research will range between \$16,800.00 and \$18,000.00 plus travel. Brief biographies of the proposed witnesses are set out in Appendix A to this letter. Their *curriculum vitae* are set out under separate cover.

5 Including transcripts from the Keeyask EIS.

6 The sources we will use to inform our work include published and grey literature; the Keeyask EIA application and possible discussions with key informed sources as well as any other information sources that come to light during the project.

Proposed Panel 2:

As stated earlier, CAC MB would strongly recommend the Public Utilities Board consider granting intervener status to prior applicants who sought to bring the perspective of harvesters or Elders to these proceedings.

In the event the PUB chooses not to grant intervener status to groups representing harvesters or Elders, CAC MB has been asked to facilitate testimony presenting their perspective. Panel members would provide a unique perspective of the potential impacts of the PDP and would assist in bringing before the PUB the voice of some of those most intimately affected.

Taking into account the PUB definition of socio-economic, this piece of evidence would involve the presentation of a panel of up to 5 Elders and traditional land users from Keeyask-affected First Nations. These presentations would address:

- Historical and current relationship with the people, land and waters of the Nelson River; and,
- Potential socio-economic implications of additional hydro-electric development on their personal, family and community life as well as upon their traditional land use.

Ideally, this second piece of evidence would be presented through an intervention led by these community members. The facilitation of this evidence by CAC MB should only be considered a secondary proposal.

It is estimated that the presentation of this community led evidence would cost roughly \$7,250.00 plus travel.

The Legal Team

The Legal Team already has incurred significant costs associated with developing this proposal. However, given the overall magnitude of this proposed budget increase, CAC MB will not add to its current estimate of legal hours presented to and approved by the PUB.

CAC MB believes the proposed panel of traditional land users and Elders will be among the most important evidence the PUB will hear in this proceeding. To facilitate the presentation of this evidence, CAC MB may assign legal counsel other than Mr. Williams or Ms Menzies.

Timing for the filing of evidence

While CAC MB has taken extensive steps to develop this evidence, efforts to meet a February 4, 2014 deadline have faced a number of barriers including:

- The fact that CAC MB did not receive official notice of the potential to present a proposal until November 26, 2013 which is a number of months after it received permission to proceed with other evidence. This relatively late notice meant that

potential experts were already committed to other projects;

- The commitment of potential experts to the Keeyask EIS project which ran until January 14, 2014 roughly six weeks beyond the expected end date of late November;
- The importance of making efforts to collaborate with both the MMF and MKO which, while productive, involved a considerable amount of time and energy;
- The objections to CAC MB evidence by legal counsel for one of the Keeyask Cree Nation partners. This objection necessitated an extensive series of discussions with community organizations, community leaders, concerned citizens and within CAC MB. In effect, it put effective preparations for evidence on hold for between two and three weeks.

Given these barriers, the experts retained by CAC MB have indicated that they cannot reasonably expect to finalize their evidence until on or about March 14, 2014. Should the PUB grant the CAC MB proposal, we are seeking an extension for the filing of socio-economic evidence from February 4, 2014 to March 14, 2014.

CAC MB recognizes that this may present a challenge to Manitoba Hydro and to other interveners. CAC MB would propose the following amendments to the schedule:

- Information requests to CAC MB's socio-economic Panel 1 by March 21, 2014;
- Responses to information requests by March 27, 2014; and
- Rebuttal evidence if any by April 3, 2014.

Conclusion

Thank you for the opportunity to submit this proposal and for your consideration of these comments. Should you have any questions or comments please feel free to contact Byron Williams directly at 204-985-8533 or Meghan Menzies at 204-985-5240.

Yours truly,



BYRON WILLIAMS
DIRECTOR



MEGHAN MENZIES
ATTORNEY

Attachments

BW/sk

CAC Manitoba
Intervenors
Manitoba Hydro

Appendix A

The CAC MB Economic Team

Dr. Melanie O'Gorman has expertise in quantitative and qualitative analysis, macroeconomics and community economic development. She testified before the Manitoba Clean Environment Commission in proceedings relating to the Keeyask proposed project. Among her current and recent research projects are:

- Where's the Money?: The Right to Water in First Nations Communities;
- Critical Conversations on First Nations and the Right to Water, University of Manitoba (March 2013);
- Cherishing water, claiming health: a planning symposium on water as a holistic health right in the Pas (May 2012); and,
- "Cultivating the Arctic's Most Valuable Resource: An Analysis of the Barriers to High School Completion Among Arctic Youth", joint with Manish Pandey.

Dr. Jerry Buckland has expertise in quantitative and qualitative analysis, financial exclusion and Development Economics. He has given expert evidence to the PUB on matters relating to financial exclusion on three separate occasions and has recently provided expert evidence to the Manitoba Clean Environment Commission on the Keeyask proposed project.

Dr. Buckland was the Acting Director of the University of Winnipeg's Master's in Development Practice program 2012/13, and a Visiting Fellow at the Bangladesh Institute of Development Studies in the early 1990s. Dr. Buckland's teaching and research focus on micro-finance/bank access, community/economic development, rural development, and development in Bangladesh. He teaches courses, among others, on research and evaluation methods in International Development Studies and in the Masters of Development Practice Program. Dr. Buckland currently serves as Dean of Menno Simons College.

The CAC MB Health Impact Team

Ms Marla Orenstein is an Epidemiologist, a founding partner of Habitat Health Impact Consulting, and an international leader in the field of Health Impact Assessment. She has led over 18 HIAs, mainly for resource development projects including oil & gas developments, sustainable energy projects, mining projects, and linear features. In addition, Marla has helped develop HIA practice standards, and has provided mentoring and assistance to external agencies to help them complete their own HIAs. She has worked with government to help develop HIA processes for public policy and has offered HIA training in Brazil, Mexico, Portugal, the US and Canada. She has co-authored a textbook on HIA that will be published by Springer in spring 2014. Marla has a M.Sc. in Epidemiology from the University of Edinburgh, and as an epidemiologist with the Alberta Cancer Board and the University of California was involved in designing, conducting, analyzing and publishing results of population-level research studies including studies on physical activity and cancer risk, chronic disease in rural populations, and environmental determinants of disease. Marla is a member of the International Association of Impact Assessment, and is a founding member of the

Society for Practitioners of Health Impact Assessment. Ms Orenstein co-authored written evidence before the Clean Environment Commission in its review of the Keeyask EIS.

Dr. Murray Lee is a practicing physician who specializes in rural and remote medicine and has worked extensively with aboriginal populations in the Canadian North, as well as with indigenous populations in New Mexico, California and Alaska. He is currently the regular visiting GP for Repulse Bay, Nunavut. Dr. Lee is also a Clinical Assistant Professor in the Department of Community Health Sciences at the University of Calgary; a Master Teacher in Calgary's Medical School; and a Research Affiliate with the Population Health Intervention Research Centre.

Dr. Lee's Masters in Public Health has a special emphasis on the impact of the built environment on community health and human health behaviours. He has been extensively involved in the creation, delivery and evaluation of undergraduate medical school curriculum at the University of Calgary and has mentored many students interested in pursuing electives or careers in northern, aboriginal and other resource constrained settings. Dr. Lee recently presented evidence before the Clean Environment Commission in its review of the Keeyask EIS.

Appendix B

NFAT Review

Socio-Economic Impact Proposal

Expert Budget and Workplan

Proposed Plan 1

Workplan:

Dr. Melanie O'Gorman, Dr. Jerry Buckland

Item	Details	Participants	Timing	Work time (# people x days)
Preparation	Preliminary research, plan development, drafting of consent forms, communication research assistants and affected persons	Dr. Buckland	January / February	1 x 5 = 5 days
Literature review	A literature review of the historical and international impact of major industrial projects on Indigenous people and which would introduce and draw out the World Bank's Best Practices Framework.	Dr. Buckland	January / February	1 x 4 = 4 days
Team meeting in Winnipeg	Discuss key issues for Northern/Indigenous communities for preferred development plan and alternatives	Dr. Buckland, Dr. O'Gorman,	January	2 x 1 = 2 days
Compilation of perspectives of various Manitoba stakeholders.	Interview, research, write-up, and analyze	Dr. O'Gorman, Dr. Buckland	January / February	2 x 2 = 4 days Contingency = 1 day
Northern perspectives including travel to Thompson	Travel, interview, write-up, and analyze.	Dr. O'Gorman, Dr. Buckland (separate trips)	February	Travel, interview, write-up, and analyze. 2 x 4 = 8 days
Writing of the final report		Dr. Buckland, Dr. O'Gorman,	February and March	Dr. Buckland = 4 days

				Dr. O'Gorman = 4 days
				Contingency = 3 days
Slides and hearing preparation		Dr. Buckland, Dr. O'Gorman	Early March	2 x 1 = 2 days Contingency = 1 day
Participation in Hearing		Dr. Buckland, Dr. O'Gorman,	TBD	2 x 1 = 2 days Contingency = 2 days
Total				Days : 35 – 42 days

Ms. Marla Orenstein

Item	Details	Timing	Work time (# people x days)
Team meeting in Winnipeg	Discuss key issues for Northern/Indigenous communities for preferred development plan and three alternatives	January	1 day
Writing of the final report		February / March	11 days
Hearing Preparation		March / April	1 day Contingency = 1 day
Participation in Hearing		TBD	1 day
Total			14 Days - 15 days

Research Assistants: Ms. Naomi Happychuk, Ms. Yechenu Audu,

Item	Details	Participants	Timing	Work time (# people x days)
Literature review	Assist literature review of the historical and international impact of major industrial projects on Indigenous people and which would introduce and draw out the World Bank's Best Practices Framework.	Ms. Happychuk	January / February	1 x 5 = 5 days
Team meeting in Winnipeg	Take minutes of discussions	Ms. Audu	January	1 x 1 = 1 day
Compilation of perspectives of various Manitoba stakeholders.	Assist with contact, note-taking, analysis, write up.	Ms. Happychuk, Ms. Audu,	January / February	Ms. Happychuk = 15 days

	Researchers will also be seeking input from a variety of perspectives and sources.			Ms. Audu = 5.25 days
Total				26.25 days

Budget:

Expert time			
	# of Days	\$ Per Day	Total
Dr. O'Gorman	13 days to 16.5 days	\$1000/day	\$13,000.00 - \$16,500.00
Dr. Buckland	22 days to 25.5 days	\$1000/day	\$22,000.00 - \$25,500.00
Ms. Orenstein	14 days to 15 days	\$1,200/day	\$16,800 - \$18,000.00
Research Assistants			
Ms. Happychuk	20 days	\$200/day	\$4,000.00
Ms. Audu	6.25 days	\$200/day	\$1,250.00
Total			\$57,050.00 - \$65,250.00

Travel	
Item	Cost
Flights for Ms. Orenstein to attend meeting in Winnipeg + accommodation	\$750.00
Northern travel for Dr. Buckland and Dr. O'Gorman (2 flights + accommodation for 4 nights)	\$5,000.00
Travel Contingency (allowing for Northern Travel Challenges)	\$2,500.00
Flight Ms. Orenstein to provide oral evidence +	\$750.00

accommodation	
Total	\$6,500 - \$9,000

Total	\$63,550.00 - \$74,250.00
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Proposed Plan 2

Workplan:

Approximately five traditional land users and Elders

Item	Details	Participants	Timing	Work time (# people x days)
Meeting in Winnipeg to prepare and coordinate		Traditional land users and Elders	February / March	2 x 2 = 4 days
Prep and consultation with team	Prep and consultation with executing body and panel members	Traditional land users and Elders	February / March	5 x 1 = 5 days
Presentation of panel in Winnipeg	Preparation and presentation before PUB	Traditional land users and Elders	TBD	5 x 4 = 20 days
Total	29 days			

Budget:

Panel Members			
	# of Days	\$ Per Day	Total
Total	29 days	\$250.00	\$7,250.00

Travel	
Item	Cost
Approximate mileage for two persons to attend Winnipeg Meeting	\$950.00
Accommodation for two persons to attend Winnipeg Meeting	2 x \$240 = \$480.00

Approximate mileage for 4 of 5 panel members to attend proceedings	\$1,700.00
Flights for one panel members to and from Winnipeg	1 x \$2,000.00 = \$2,000.00
Accommodation for 4 nights for panel members	5 x \$480.00 = \$2,400.00
Contingency for unexpected events regarding travel and scheduling	\$2,500.00
Total	\$7,530.00 - \$10,030.00

Total	\$14,780.00 - \$17,280.00
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