

**Business Council
of British Columbia**

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Honourable Gordon Campbell
Premier
Government of British Columbia
Room 156, West Annex
Parliament Buildings
Victoria, BC V8V1X4

Honourable Carole Taylor
Minister of Finance
Government of British Columbia
Room 153
Parliament Buildings
Victoria, BC V8V 1X4

Dear Premier and Minister:

The Government of British Columbia and First Nations leaders have undertaken a bold new initiative to develop a New Relationship. The business community in this province is supportive of the New Relationship. We also welcome your recent announcement in the Budget Update of a \$100 million First Nations New Relationship Fund to support First Nations as they build their own capacity to participate in the New Relationship.

Businesses in British Columbia appreciate your commitment to work with First Nation leaders and others to determine how best to structure and allocate the Fund. Interested business groups have been asked to share their views on the Fund and we are pleased to do so. The groups that have come together to offer this advice are:

- Aggregate Producers Association of British Columbia
- B.C. Chamber of Commerce
- BC & Yukon Chamber of Mines
- Business Council of British Columbia
- Canadian Association of Petroleum Producers
- Coast Forest Products Association
- Council of Forest Industries
- Council of Tourism Associations of British Columbia
- Mining Association of British Columbia

Recommendations on The New Relationship Fund

The commitment of the Government of British Columbia to building capacity for First Nations is a major step in creating a stable economy. A stronger, more vibrant economy for First Nations and all British Columbians is a goal that all parties share.

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Increased First Nations capacity is a major element leading to greater economic and cost certainty, as well as increased predictability for investment, resource access, use and development.

We recommend that the Fund have three key features that should be applied universally, whether a First Nation is in the treaty process, not in the treaty process or participates in an historic treaty, e.g., Treaty 8.

First, the Fund should have longevity. We understand that the government's \$100 million investment is one time funding. Obviously First Nations capacity gaps will not be filled in one year, or with a massive one time infusion of funds that does not have a long term financial legacy. Therefore, we recommend:

A portion of the First Nations New Relationship Fund should be invested in a trust, or similar instrument, that will generate income in perpetuity and only that income, not the initial capital investment, would be used for First Nations capacity building.

Second, the Fund should deal with short, medium and long term First Nation capacity issues. First Nations are currently under-resourced to deal with the plethora of consultation and accommodation activities before them. And, this problem will only grow if actions are not taken now to get First Nations people interested in and capable of undertaking these activities. Therefore, we recommend:

The First Nations New Relationship Fund should have three funding envelopes aimed at (1) the immediate capacity crisis; (2) the mid-term, to effectively anticipate new processes that might be developed; and (3) the long term.

Third, the Fund should have measurable performance goals, especially in relation to project development and decision-making. Part of the risk of a new initiative is that results are uncertain. Government and First Nations should set goals for the Fund that are both achievable and measurable. Government and First Nations should adjust the Fund or its application as they learn more. Therefore, we recommend:

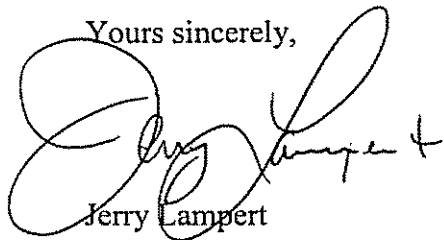
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The First Nations New Relationship Fund should have measurable performance goals, especially in relation to capacity funding, and the Fund should be adjusted as experience dictates in order to achieve these goals.

The British Columbia business community appreciates this first opportunity to provide advice on the First Nations New Relationship Fund. We realize that these recommendations are at a high or macro level. We do have a number of specific ideas we would like to explore, e.g., training and skills development programs, particularly for aboriginal youth. We look forward to discussing our advice with you and with the New Relationship Management Committee.

Yours sincerely,



Jerry Lampert

cc. Hon. Tom Christensen
Grand Chief Edward John, First Nations Summit
Chief Stewart Phillip, Union of British Columbia Indian Chiefs
Chief Shawn Atleo, British Columbia Assembly of First Nations
Jessica MacDonald, Office of the Premier
Lorne Brownsey, Ministry of Aboriginal Relations and Reconciliation
Paul Allard, Aggregate Producers Association of British Columbia
John Winter, B.C. Chamber of Commerce
Dan Jepsen, BC & Yukon Chamber of Mines
Steve Spalding, Canadian Association of Petroleum Producers
Rick Jeffery, Coast Forest Products Association
Peter Affleck, Council of Forest Industries
Mary Mahon Jones, Council of Tourism Associations of British Columbia
Michael McPhie, Mining Association of B.C.