Dear Grand Chief Massie and Premier Pasloski:

Aboriginal Affairs and Northern Development Canada would like to acknowledge the important contributions made by the Yukon Government, the Council of Yukon First Nations, the Yukon First Nations and the Yukon Environmental and Socio-economic Assessment Board in the *Yukon Environmental and Socio-economic Assessment Act* Five Year Review. The *Yukon Environmental and Socio-economic Assessment Act* and process continue to be an effective, efficient and inclusive environmental-socio economic assessment process designed and supported by Yukoners.

In Canada’s view, the obligation to conduct a five-year comprehensive legislative review of the *Yukon Environmental and Socio-economic Assessment Act* has been met. We accept the Draft Interim Review Report prepared by the Designated Representatives as the conclusion of this work. Based on this progress, we will now consider the *Yukon Environmental and Socio-economic Assessment Act* Five-year Review completed and will move forward to implementing the recommendations.

Significant progress has been reached with the completion of the Draft Interim Review Report which responds to 72 of the 76 proposals to further improve the *Yukon Environmental and Socio-economic Assessment Act* and the regulatory process. Many of the proposals can only be implemented based upon continued co-operation. Canada has continued to demonstrate its commitment and willingness to engage in collaborative measures to ensure lasting improvements can be reached. It is the understanding that there are plans for each of the Parties to continue to meet and to address recommendations for policy and administrative changes through a *Yukon Environmental and Socio-economic Assessment Act* Forum.

Despite best efforts and numerous face to face discussions, there were three areas that the Designated Representatives were not able to reach consensus: funding, decision making and a commitment to future comprehensive reviews.
At this time, we will be asking that all Parties find efficiencies within the current funding levels to fully support the ongoing implementation of the Yukon Environmental and Socio-economic Assessment Act.

As understood, the Council of Yukon First Nations believes that the process would be strengthened with additional requirements for federal or territorial decision bodies to engage with self-governing First Nations before making a decision with respect to the recommendations made by the assessment body. In our view, the Yukon Environmental and Socio-economic Assessment Act correctly implements the requirements set out in the final agreements with respect to decision making following an environmental and socio-economic assessment. The Government of Canada will continue its commitment to engage First Nations where there is a statutory contractual and/or common law duty to consult with Aboriginal groups.

Aboriginal Affairs and Northern Development Canada does not contemplate a future comprehensive review of the same scope as the Yukon Environmental and Socio-economic Assessment Act Five-year Review with the Parties. However, Aboriginal Affairs and Northern Development Canada does agree with the need for ongoing monitoring of the implementation of the Review's recommendations and the broader Yukon Environmental and Socio-economic Assessment Act Regime. Aboriginal Affairs and Northern Development Canada may consider future review of specific provisions of the Yukon Environmental and Socio-economic Assessment Act legislation and its regulations, policies and procedures as warranted.

With respect to the recommendations for legislative and regulatory changes in the Draft Interim Review Report, Canada is prepared to seek authority from federal Cabinet to revise the Yukon Environmental and Socio-economic Assessment Act and regulations. A number of the proposed changes are consistent with the Responsible Resource Development that was recently announced by the Government. These changes could support jobs, growth and long-term prosperity in Yukon.

I look forward to the continued efforts and progress on the implementation of the recommendations.

Sincerely,

[Signature]

John Duncan, PC, MP

c.c.: Yukon Environment and Socio-economic Assessment Board