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AN ACT TO AMEND THE INDIAN OIL AND GAS ACT

Order Fixing August 1, 2019 as the Day on which that Act Comes into Force

P.C. 2019-754 June 9, 2019

Her Excellency the Governor General in Council, on the recommendation of the Minister of Indian Affairs and Northern Development, pursuant to section 4 of *An Act to amend the Indian Oil and Gas Act*, chapter 7 of the Statutes of Canada, 2009, fixes August 1, 2019 as the day on which that Act comes into force.

EXPLANATORY NOTE

(This note is not part of the Order.)

Proposal

This Order brings into force on August 1, 2019 section 4 of *An Act to amend the Indian Oil and Gas Act* (the Act). The Act received royal assent on May 14, 2009 but is not yet in force.

Objective

Canada is challenged to keep up with managing and regulating, on First Nation lands, the advancing technology in oil and gas activities due to its limited authorities and regulatory mechanisms.

The Act provides

- legislative and regulatory clarity;
- a robust and flexible monitoring and enforcement regime; and
- enhanced environmental protection, including better protection of First Nations sites of cultural importance.

Background

As a result of the October 1973 War in the Middle East, the 1974 *Indian Oil and Gas Act* (1974 Act) was quickly drafted and enacted in response to this first world oil crisis. However, the 1974 Act does not provide all necessary authorities to operate in a heavily-regulated industry.

Since 1999, numerous efforts to modernize the regime have been attempted. In 2006, a partnership between Indian Oil and Gas Canada and the Indian Resource Council, an Indigenous organization that advocates on behalf of some 189 First Nations with oil and gas development, was formed which resulted in this Act receiving royal assent in May 2009. It was agreed that the Act would not come into force until the corresponding regulations were made.

Regulatory development has proven complex and in 2013, it was agreed, in consultation with oil and gas producing First Nations, that an incremental approach to the development of regulations would be adopted. The Phase 1 Regulations will come into force on August 1, 2019.

Implications

In 2006, the Standing Joint Committee for the Scrutiny of Regulations provided 19 recommendations to amend the 1995 Regulations, and the current proposed Regulations address those recommendations.

Indian Oil and Gas Canada's compliance and enforcement framework principles are to educate, promote and protect. These principles, especially the principle of education, are being used to assist Industry in adjusting to the new oil and gas regime on First Nation lands. The Act provides the authority to inspect operations/records; conduct search and seizures; issue shutdown and/or remedial action orders; all in response to non-compliance. This framework ensures that the companies are aware of their rights and obligations as well as being aware of possible action that may be taken by Indian Oil and Gas Canada.

Consultation

Initiated in 1999 by the Indian Oil and Gas Canada (IOGC) Co-Management Board, this process has taken a number of years and has involved extensive consultations. These consultations led to the development of a modern federal oil and gas legislative framework on First Nations land that incorporates the views of First Nations and creates a regime that is closer aligned with the provincial regime to support resource development. A complete list of the consultations can be found on the IOGC website at <https://www.pgic-iogc.gc.ca/eng/1471964522302/1471964567990>.

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