



C3 Alliance Corporation

"Equitable Benefits from Each Resource Development"

Interview with Jerry Asp, President

Jerry Asp is President, C3 Alliance Corp and Vice President (and founding member) of the Canadian Aboriginal Mining Association (CAMA). Mr Asp is also Vice President of the Canadian National Aboriginal Power and Energy Association. He received the Queen Elizabeth Diamond Jubilee Medal in 2013 for his lifelong contributions to the inclusion and training of Aboriginal People in the mining industry. In 2007, he received the CANDO designation PAED, as a Professional Aboriginal Economic Developer.

C3 Alliance Corp (C3) is a private company that focuses on creating mutually beneficial relationships between indigenous peoples, resource sector businesses, governments and communities based on trust, respect and a commitment to create benefits and certainty. A comprehensive consulting firm, C3 specializes in project management for First Nations, resource development and government clients related to resource development.

milestone GRP and Jerry Asp discussed how the Tahltan Nation formed a development company to address employment and poverty issues within their community.

milestone GRP - How did you arrive at the concept of a Nation-owned development corporation?

Mr Jerry Asp - In 1985, an agreement was been negotiated with Indian Affairs for ten new homes. Indian Affairs offered a subsidy of C\$ 38,000 per home and worked with Canada Mortgage and Housing Corporation (CMHC) to fund the remainder. The average cost of the housing was C\$ 120,000 per unit. The people who were getting the houses had to qualify for a mortgage, even though the Band was signatory to the loan agreements. But the lender was double guaranteed through CMHC and through DIA Capital Projects. I suggested we start a company and build those houses ourselves and by March 1985 the Tahltan Nation Development Corporation (TNDC) was born. The Tahltans now had the vehicle they needed to move into the wage economy.

TNDC negotiated a long-term contract with DIA and CMHC to build homes in Telegraph Creek and on the Iskut Reserve – we ended up with a contract to build 50 homes over the next five years. In Telegraph Creek, we also built a new Band office, a fire hall, and an expansion to the store. In later years we built a new medical centre. In Dease Lake we built the TNDC office and shop complex, eight houses for CMHC, and the Heda Lake Housing Society, plus 10 homes on Iskut Reserve #9. In Iskut we also built 50 homes and developed their new subdivision.

milestone GRP - How did you develop the manpower required to fulfil this contract when your Nation was struggling with so many social problems?

Mr Asp - We had the contract to provide employment, so now we needed the carpenters to build the homes. We negotiated with Manpower and the Apprenticeship Branch of the Provincial Government to enrol 18 carpenters into their programme - 8 from Telegraph Creek and 10 from Iskut. We wanted to spread the training and opportunities between the communities.

In four years we graduated 18 journeymen carpenters and in five years we graduated 18 carpenters with inter-provincial tickets, plus 3 that were already enrolled in the apprentice programme, but did not have enough hours to qualify for journeymen status.

milestone GRP - How and why did TNDC move from housing to mining contracts?

Mr Asp - The building contracts were only going to last for so long and we still had a lot of unemployed and unskilled people. We knew that the Indian Affairs programmes and projects would not solve our problems with their "Jobs and Training Model". Since we knew we could not develop a Nation-building strategy with our on-reserve resources we looked off-reserve to our natural resources. The Tahltan traditional territory is extremely resource rich but it is also our traditional territory and we needed to protect it for our children's children while at the same time providing employment and training for them.

We therefore developed a policy to ensure any resource extraction or development on our land was done to our specifications. Thus the Tahltan Resource Development Policy was born, which states that for a resource development project to commence within Tahltan tribal territory, the developer and the Tahltan Tribal Council must first enter a project participation agreement that encompasses the following elements and basic principles: assurance that the development will not pose a threat of irreparable environmental damage; that it will not jeopardize, prejudice, or otherwise compromise the outstanding Tahltan Aboriginal rights claim; and that it will provide more positive than negative social impacts on Tahltan people.

A project should also provide for education and direct employment-related training opportunities for Tahltan people in connection with the project; for employment opportunities for Tahltan people in all phases of the development; for substantial equity participation by the Tahltan in the total project; for the development of Tahltan business opportunities over which the developer may have control or influence; and ensure that the developer assist the Tahltans to accomplish the objectives stated above by providing financial and managerial assistance and advice where deemed necessary.

If resource developers and the Tahltan Tribal Council can reach an agreement embracing the points noted above, then we believe that Tahltans, the developers, and all other Canadians will enjoy equitable benefits from each resource development,

and there will be business harmony within Tahltan traditional tribal territory.

This agreement came into effect on April 7, 1987, and with this document in hand I negotiated the first Native Participation Agreement with a mining company in British Columbia. This was known as the 1988 Tahltan/Golden Bear Agreement. It was primarily a socio-economic agreement and heavily accented for training and employment, but included contracting opportunities that gave us the chance to start a heavy construction division for TNDC.

We negotiated with equipment dealers and identified C\$ 3 million worth of equipment that we needed to do the job. We finally ended up with a C\$ 1.8 million grant from the Native Economic Development Program and financed the remaining C\$ 1.2 million with equipment dealers. With that in our hands, we negotiated a three-year upgrading and maintenance contract on the 160 km mine access road, once it was built.

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milestone GRP - As a unique corporation, was it difficult to get the contracts, recognition, and respect TNDC was due?

Mr Asp - Being new construction contractors, the mine owners insisted that we needed a partner that had a good track record for us to obtain the knowledge that is necessary to enter the world of business. We entered into a joint venture with Grant Stewart Construction to do the site work, build the settling pond, and to do a 5-year open-pit mining contract. By 1991, TNDC was the largest native owned and operated heavy construction company in western Canada.

milestone GRP - What was the turnaround in terms of employment and skills building in the Tahltan Nation?

Mr Asp - We negotiated a 20% employment target for the Golden Bear Mine, and at the peak of operations the Tahltans made up 39% of the workforce, through direct employment and 90% for contract work. While most mines have a 20-24% employee turnover rate, Golden Bear and Tahltans had a 2-4% turnover rate. We achieved this because we ensured that the assistant personnel manager was a Tahltan, to monitor the Tahltan employees, track their advancement through the workplace, and to act as a "Union Shop Stewart", someone for the Tahltan employees to bring their grievances to. We also insisted on a job-shadowing programme or job-mentoring programme, and a strict safety-training programme for all new Tahltan employees.

Building on the Golden Bear experience, we moved on to the Eskay Creek Project, a joint venture with Arrow Transport to haul mill concentrates. With this joint venture, TNDC provides all of the equipment contracting work at the Eskay Mine Site. Our equipment maintains the roads, hauls waste, screens

and hauls all the gravel used for backfill, and provides all camp services. The Tahltans were not only contractors but accounted for 42% of all employment in the lab, mill, surface, maintenance shops, and underground with Procon Mining.

From 1990 to 2008, TNDC had over C\$ 180 million in contracts with Homestake and Barrick Gold Corporation. During the construction phase of the Galore Creek Project, which started construction in 2006 and shut down in November 2008, TNDC had \$176 million in joint venture contracts, and individual Tahltans had over \$30 million in contracts.

milestone GRP - What has this mining activity meant to the Tahltans?

Mr Asp - Mining projects have given the Tahltans the opportunity to start a heavy construction division for TNDC. From there we built our track record within the mining industry. We have graduated several skilled technical and administrative workers. The number of high school graduates has also increased considerably, our suicide rate has dropped to zero, and we have implemented alcohol and drug programmes in the communities and job sites.

milestone GRP - How has TNDC parlayed its mining experience to other resources?

Mr Asp - The Tahltans have an agreement with Altagas on their three hydro projects in Tahltan country, which are valued at C\$ 1.2 billion. Also, the Tahltans are the first First Nation to sign an agreement with the Province of British Columbia under the Clean Energy Act for land and water rentals. Because BC Hydro signed a 60-year power purchase agreement with Altagas, the Government of British Columbia had to sign a 60-year agreement with the Tahltans. This equates to C\$ 2.5 million per year for 60 years, and with the built-in escalation clause this number could be as much as C\$ 450 million. Also, we just recently negotiated the land and water rentals for the McClymont and Volcano Creek projects.

The Tahltans have a significant portion of the NW Transmission Line contract, including the extension from Bob Quinn to Tatogga and on to Iskut, British Columbia. We have also signed a Tahltan Participation Agreement with Imperial Metals on the Red Chris Mine. The capital cost of this mine is C\$ 800 million, so I am sure that we will get our share of the construction work and the long-term contracts from on-going operations.

milestone GRP - In your opinion, are the successes of the Tahltan and the TNDC attainable for all First Nations, or is this a unique situation?

Mr Asp - If the Tahltan people, with 98% unemployment in winter and 65% unemployment in the summer, can change those statistics to 5% unemployment in the winter and 0% in the summer, then any Aboriginal community can do it. If we follow a strict environmental path that opposes all developments, hydro projects, mining, pipelines, logging, or even tourism projects, such as ski lodges and ski hills, what options are left for Aboriginal people to make a living and to provide for their families? As the 40th President of the United States, Ronald Reagan, once said, "I believe the best social programme is a job." ☺