



JUN 06 2018

The Honourable Scott Tannas, Senator
The Senate of Canada
Ottawa, Ontario K1A 0A4

The Honourable Lillian Eva Dyck, Senator
The Senate of Canada
Ottawa, Ontario K1A 0A4

Dear Senator Dyck and Senator Tannas:

We would like to thank you and members of the Standing Senate Committee on Aboriginal Peoples (APPA) for your dedicated work on Bill C-45. We would like to address several issues that have been raised by APPA regarding the implementation of the Bill.

We would like to assure Senators, the areas of concern raised in the APPA report are noted by the Government. Moving forward in the implementation of C-45, if approved by Parliament, we will be working to address all of the areas highlighted by APPA, through continued consultation with Indigenous communities, Indigenous organizations and the Committee itself. The Government re-affirms its commitment to upholding existing Aboriginal and treaty rights, as recognized in section 35 of the *Constitution Act, 1982*. Members of APPA have asked for a clear commitment from the Government to provide a full report back to both Chambers, around progress on action areas identified in their Committee's Report. This report to Parliament would be in addition to the Government Response to the Committee Report, requested by your Committee, which will be tabled in September. We affirm to you, that we agree to provide this further report within 12 months of Royal Assent. Further, we are committed to returning to APPA as needed, to update Senators on areas of interest and concern regarding the implementation of the new cannabis framework.

Senators have also raised a number of specific issues which we would like to address.

With regard to the provision of services, the Government understands concerns have been raised as to whether the implementation of C-45 would create unmet need in Indigenous communities for mental health and addiction services. Rest assured, the Government will continue to work closely with Indigenous communities and leaders to address these needs, specifically in front-line services for mental health and addictions treatment. As a first step, we have committed \$200 million over five years to enhance the delivery of culturally appropriate addictions treatment and prevention services in communities with high needs. Rest assured, we will continue to work closely with Indigenous communities to identify needs in these services and will ensure additional

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resources are in place in order to support front-line services for mental health and addictions treatment.

We have also heard about the need to create cannabis public education materials which are culturally and linguistically appropriate. We are committed to working with First Nations, Metis and Inuit communities to create culturally and linguistically appropriate public health education materials on cannabis use. We have already started this work, and are currently translating a number of documents that have already been developed into a variety of Indigenous languages. To assist in this work, Budget 2018 included \$62.5 million over five years to support the involvement of community-based organizations, and Indigenous organizations to educate their communities on the risk associations with cannabis use. We commit to keeping the Committee informed on Indigenous specific funding for culturally and linguistically appropriate education materials and programs.

Senators have also sought additional information around the ability of Indigenous communities to participate in the cannabis market. The Government recognizes that there are Indigenous businesses seeking to become federal licensees under the proposed Cannabis Act. To facilitate this, the Government has established a special navigator service exclusive to Indigenous businesses, to help them navigate the licensing process. To date, we have 5 licensed producers and 14 applicants with Indigenous affiliations, and have had 48 enquiries from prospective or interested applicants. (At this time, there are a total of 105 licensed producers across Canada). We will continue to track and monitor this process to facilitate Indigenous participation and we would commit to keeping the Committee informed on these numbers as implementation of C-45 rolls out.

The Committee heard from Indigenous communities, organizations and businesses about jurisdictional concerns flowing from the proposed legalization and regulation of cannabis, specifically the concern of exercising First Nation by-law making powers in relation to Bill C-45. The Government recognizes and respects the jurisdiction of Indigenous communities. We commit to continued engagement and work with First Nations, Inuit and Metis communities to address and accommodate jurisdictional issues in an appropriate way going forward. As always, we seek the advice of your committee to assist us in this regard.

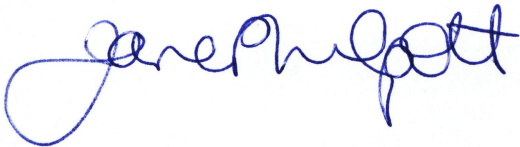
Questions have also been raised regarding revenue sharing with Indigenous communities. The Government has previously agreed that our commitment to a new fiscal relationship with Indigenous communities will include discussions about revenue sharing and taxation arrangements. As you have asserted to us, this must include discussions with National Indigenous Organizations and organizations like the First Nations Tax Commission, among others. We are committed to advancing a new fiscal

relationship with Indigenous communities based on the need for sustainable, sufficient, predictable and long-term funding arrangements. We will advance this new fiscal relationship with Indigenous communities by our commitment to sustainable, sufficient, predictable and long-term funding arrangements, in addition to supporting the continued development of First Nations taxation and regulatory regimes.

Thank you for your work on this file and we look forward to our continued discussions.

A handwritten signature in blue ink, reading "Ginette. Petitpas" followed by a large, stylized flourish.

The Honourable Ginette Petitpas Taylor, P.C., M.P.
Minister of Health

A handwritten signature in blue ink, reading "Jane Philpott" in a cursive style.

The Honourable Jane Philpott, P.C., M.P.
Minister of Indigenous Services

c.c. The Honourable Murray Sinclair, Senator
The Honourable Dan Christmas, Senator
The Honourable Mary Jane McCallum, Senator
The Honourable Yvonne Boyer, Senator
The Honourable Sandra Lovelace Nicholas, Senator
The Honourable Patrick Brazeau, Senator