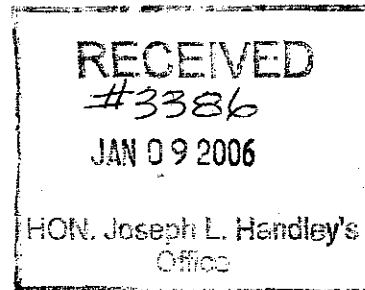




The Honourable Joseph L. Handley  
Premier of the Northwest Territories  
Legislative Assembly  
Yellowknife, NT X1A 2L9  
Fax: (867) 873-0385



January 6, 2006

Dear Mr. Handley,

Thank you for your letter of December 13, 2005. We appreciate the opportunity to respond to these important issues facing the Northwest Territories and to reaffirm the Conservative party's commitment to Canada's north.

Please find our responses below.

1. The Conservative Party of Canada supports the general principles and objectives of the socio-economic fund proposed by the Government of Canada and the pipeline proponents to support communities directly affected by the Mackenzie Gas Pipeline. We also believe that questions relating to the fiscal plan for the pipeline, the fund, the associated tax and the royalty regimes should be a matter of discussion with all the interested parties.
2. The Conservative Party of Canada agrees unequivocally with the principle that northerners should be the primary beneficiaries of the revenues generated by resource development in the Northwest Territories similar to other jurisdictions in Canada. We also agree that the transfer of authority over lands and resources from Canada to the Northwest Territories (devolution) is the next logical step in the political development of the Northwest Territories.
3. The Conservative Party of Canada supports the concept of a Mackenzie Valley Highway either in conjunction with or separate from the Mackenzie Valley Pipeline project. We are prepared to discuss details regarding the cost, timing and funding of this proposal.
4. The Conservative Party of Canada supports in general terms the negotiation of "base-plus funding arrangements" with the northern governments. We recognize the unique circumstances faced in the north for the delivery of programs and services to the population in small remote communities. We are also prepared to discuss the challenges regarding the costs and circumstances for the delivery of those services.



Thank you once again for your enquiry.

*Sincerely,*



*Hon. Stephen Harper, P.C., M.P.  
Leader of the Opposition  
Leader of the Conservative Party of Canada*

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