



THE PREMIER OF THE NORTHWEST TERRITORIES

DEC 13 2005

The Right Honourable Paul Martin, P.C., M.P.
Prime Minister of Canada
Leader of the Liberal Party of Canada
81 METCALFE STREET SUITE 400
OTTAWA ON K1P 6M8

The Honourable Stephen Harper, P.C., M.P.
Leader of the Conservative Party of Canada
#1720 – 130 ALBERT STREET
OTTAWA ON K1P 5G4

The Honourable Jack Layton, P.C., M.P.
Leader of the New Democratic Party of Canada
300 – 279 LAURIER WEST
OTTAWA ON K1P 5J9

Dear Sirs:

I am writing to request the position of your party on a number of important issues facing the Northwest Territories.

Mackenzie Gas Pipeline

The Mackenzie Gas Pipeline is critical to the long-term strategic interests of the Northwest Territories and to the social and economic future of our people and our communities. The wealth from this project can provide the opportunity for the communities and residents of the Northwest Territories to take control of their economic future.

Communities and residents along the pipeline route are working hard to prepare for the project and its immediate impacts. In July 2005, the Government of the Northwest Territories and Aboriginal organizations impacted by the Mackenzie Gas Pipeline reached an agreement with the Government of Canada on the creation of a \$500 million, ten-year fund that would be used to help mitigate some of these socio-economic impacts. For Aboriginal organizations, this commitment by the federal government was an important factor in the resolution of Access and Benefit Agreements with the project proponents.

LEGISLATIVE ASSEMBLY
YELLOWKNIFE, NT
CANADA X1A 2L9
Telephone (867) 669-2311
Facsimile (867) 873-0385

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Unfortunately, legislation to implement this fund was not introduced or passed by Parliament prior to the election call.

Does your Party support the creation of a \$500 million socio-economic impact fund by the Government of Canada to support communities directly affected by the Mackenzie Gas Pipeline? If so, will you support legislation to put this fund in place at the earliest opportunity in the new Parliament?

Equitable Sharing of Resource Revenues from Northern Development

The Government of the Northwest Territories and Aboriginal governments of the Northwest Territories have been seeking an agreement from the federal government for the transfer of authority over lands and resources from Canada to the Northwest Territories (devolution).

Devolution is the next logical step in the political development of the Northwest Territories. It is about repositioning decision-making authority from Ottawa to the North. It provides the opportunity for a more equitable flow of revenues to the North that ensures increased benefits for northern Canadians and Aboriginal governments.

The principle of creating both incentives and the fiscal capacity for our territory to reinvest in our economy, facilitate the development of our resources and deal with the other pressing challenges brought on by large-scale resource development is of great importance to the people of the Northwest Territories. The people of the Northwest Territories not only want their governments to have a say over the nature and pace of resource development, but also expect their governments to have the fiscal capacity to make the necessary investments in northern infrastructure, people and businesses to enable them to seize the economic opportunities created through northern resource development. They expect and deserve nothing less than to be the primary beneficiaries of northern resource development. This can only be accomplished through the inclusion of reasonable fiscal offset arrangements in Territorial Formula Financing.

Does your Party support 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?

Mackenzie Valley Highway

The Council of the Federation recently released its national transportation strategy document, *Looking to the Future: A Plan for Investing in Canada's Transportation System*. The strategy proposes a new transportation funding partnership, identifies a strategic transportation network, describes preliminary provincial and territorial priorities and recommends changes to the policy framework.

One of the exciting projects contained in this strategy is the proposal for an all-weather highway down the Mackenzie Valley to Tuktoyaktuk on the Arctic Ocean.

Such a highway would eliminate the costly reliance on air transport, winter ice roads and barging for the shipping of supplies and materials for development projects and community re-supply. It would provide a more efficient and reliable transportation system to explore and develop gas deposits in the Mackenzie Valley and the Beaufort Region. It would make other projects, such as hydroelectric power generation, more feasible and likely. It would dramatically increase the tourism potential of this beautiful part of our country.

Is your Party in support of the proposal to build a Mackenzie Valley Highway to connect this great country from coast to coast to coast? Will you work in partnership with our government to make this critical infrastructure development a reality?

Base-plus Funding Agreements

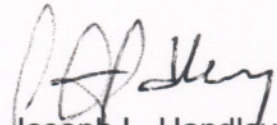
The three northern territories have negotiated a number of important agreements over the past several years that provide base funding in addition to the normal per capita allocation in important federal-provincial-territorial agreements. Recent examples of base-plus agreements include the northern health care accord, municipal and rural infrastructure funding programs and the gas tax sharing arrangements.

The need to provide a base amount plus per capita allocation for territorial agreements are well understood and supported by all our provincial colleagues. The territories face unique costs and circumstances in delivering programs and services to small populations living in small and often remote communities, higher costs of program design and delivery, and more demanding social and economic conditions, including a younger population.

As a general principle, does your party support the negotiation of base-plus funding arrangements with the northern territories that recognize the unique costs and circumstances we face in the north in delivering programs and services to small populations living in smaller and often remote communities?

These are matters of great importance to the people of the Northwest Territories. Your considered response is important to the future of the North and indeed, to all of Canada. In order for the northern electorate to make an informed decision when going to the polls on January 23rd, I would like a response to these important issues by January 9, 2006.

Sincerely,



Joseph L. Handley

- c: The Honourable Ethel Blondin-Andrew, P.C., M.P.
Western Arctic
Mr. Richard Edjericon, Candidate, Conservative Party of Canada
Mr. Dennis Bevington, Candidate, New Democratic Party of Canada
Members of the Legislative Assembly