

R(15)110106215

Federal Leaders Respond to Premier Handley's Four Questions

YELLOWKNIFE (11 January, 2006): Northwest Territories Premier, Joe Handley, has received responses to his December 13th letter to the leaders of the three main federal political parties. "In general, the responses indicate a good understanding of the issues that I brought forward for their consideration," said Premier Handley.

The Premier's letter posed four questions to party leaders asking: whether they support the \$500 million socio-economic impact fund for the Mackenzie Gas Project and if they support bringing forward the necessary legislation; if they believe Northerners should be the primary beneficiaries of resource revenues generated in the North; if they will support the construction of the Mackenzie Valley Highway; and if they agree the unique circumstances in the North necessitates base-plus funding agreements (instead of a per-capita allocation).

All three parties expressed support for the \$500 million socio-economic impact fund; the New Democratic Party (NDP) offered support with some provisos, the Conservative Party of Canada, while offering cautious support, did not mention supporting legislation to create the fund and the Liberal Party of Canada renewed its commitment to the fund, promising to steer legislation through Parliament as soon as the election is over.

Support for Northerners as the primary beneficiaries of development was offered by the three parties, although the Liberals did not indicate whether Northerners would be the "primary" beneficiaries. The Conservatives and NDP agreed Northerners should be the primary beneficiaries. The NDP support came with a strong recommendation that land rents and royalty rates be increased.

Support for the Mackenzie Valley Highway was less definitive. The Liberals agreed it warrants further consideration while the Conservatives support the concept but said the cost and timing are issues. The NDP said they would require a "full cost accounting analysis" and would have to be sure the cost of the highway would not take away from social and community concerns and issues.

On base-plus funding agreements the Liberals pointed out they had already negotiated some agreements on this basis but stopped short of committing to handling all negotiations this way, while the NDP said they agreed in principle and mentioned the early learning and childcare negotiations that have yet to be successfully concluded with Canada as base-plus funding has not been agreed. The Conservatives said base-plus funding is the only way to go in the North given the cost of doing business here.

"I am encouraged that the Liberal Party, if elected, intends to follow through on their commitment to create the \$500 million socio-economic impact fund to help mitigate the socio-economic impacts of the pipeline". Premier Handley said. "However, I was disappointed not to

see a similar commitment made on the issue of base-plus funding, particularly in light of the ongoing discussion over childcare funding, although I am pleased to see the NDP highlighted support for this issue in their response.”

“The response from the Conservatives was comparatively brief but supportive of all of our issues”, Premier Handley went on to say. “This indicates the understandable cautiousness of a party who, if poll results from across Canada this week are to be believed, may form the next Government and don’t want to over-commit themselves right off the bat.”

Copies of Premier Handley’s letter to the federal leaders and the leaders responses can be found at www.premier.gov.nt.ca/initiatives/ .

For more information contact:

Julia Mott
Coordinator, Cabinet Communications
Office of the Premier
(867) 669-2304