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Monday, March 11, 2013

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**The Honourable Jackie Jacobson, Speaker**

**Legislative Assembly of the Northwest Territories**

Members of the Legislative Assembly

Speaker

Hon. Jackie Jacobson

(Nunakput)

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Mr. Michael Nadli

(Deh Cho)

Hon. David Ramsay

(Kam Lake)

*Minister of Industry, Tourism*

*and Investment*

*Minister of Transportation*

Mr. Norman Yakeleya

(Sahtu)

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Box 1320

Yellowknife, Northwest Territories

Tel: (867) 669-2200 Fax: (867) 920-4735 Toll-Free: 1-800-661-0784

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**YELLOWKNIFE, NORTHWEST TERRITORIES**

**Monday, March 11, 2013**

**Members Present**

Hon. Glen Abernethy, Hon. Tom Beaulieu, Ms. Bisaro, Mr. Blake, Mr. Bouchard, Mr. Bromley, Mr. Dolynny, Mrs. Groenewegen, Mr. Hawkins, Hon. Jackie Jacobson, Hon. Jackson Lafferty, Hon. Bob McLeod, Hon. Robert McLeod, Mr. Menicoche, Hon. Michael Miltenberger, Mr. Moses, Mr. Nadli, Hon. David Ramsay, Mr. Yakeleya

The House met at 1:29 p.m.

# Prayer

---Prayer

**SPEAKER (Hon. Jackie Jacobson):** Good afternoon, colleagues. Colleagues, I wish to advise the House that I have received the following correspondence from the Commissioner of the Northwest Territories.

Dear Mr. Speaker: I wish to advise that I recommend to the Legislative Assembly of the Northwest Territories, that passage of Supplementary Appropriation Act (Infrastructure Expenditures), No. 1, 2013-2014, during the Fourth Session of the 17th Legislative Assembly. Yours truly, George L. Tuccaro, Commissioner.

Thank you, colleagues. Item 2, Ministers’ statements. The honourable Minister of Environment and Natural Resources, Mr. Miltenberger.

# Ministers’ Statements

## MINISTER'S STATEMENT 45-17(4): UPDATE ON GREENHOUSE GAS STRATEGY ACTIVITIES

**HON. MICHAEL MILTENBERGER:** Mr. Speaker, I rise in the House today to update the people of the Northwest Territories on one of our key initiatives to respond to the global climate change problem: the NWT Greenhouse Gas Strategy.

As Members will recall, the Greenhouse Gas Strategy is one of the driving forces aimed at reducing our energy costs and greenhouse gas emissions, particularly within our government’s operations. It is this strategy that drives related initiatives in the areas of alternative energy, energy efficiency and climate change adaptations. More importantly, Mr. Speaker, the Greenhouse Gas Strategy is having a positive impact with direct emissions from Government of the Northwest Territories operations down 30 percent during the 2001 to 2011 time period.

The Department of Environment and Natural Resources recently updated this important strategy to build on these successes. The newly revised

2011-2015 Greenhouse Gas Strategy goes beyond the GNWT and identifies actions in all sectors – government, industry and communities – to increase energy efficiency and identify new clean sources of renewable energy.

There is strong support from a broad spectrum of interests for our continued efforts to increase the growth of renewable energy sources for the NWT.

Solar electricity is quickly becoming almost as cost effective as burning diesel. There is already about 262 kilowatts of solar electricity capacity installed here. Battery-based off-grid solar applications account for 90 kilowatts while grid-interconnected systems are responsible for the other 172 kilowatts.

The recent expansion of the Fort Simpson Solar Energy Project by 178 panels, a joint project between the Northwest Territories Power Corporation and the Department of Environment and Natural Resources, will displace about 100,000 kilowatt hours of diesel generation per year, and remove 84 tonnes of carbon dioxide equivalent from the atmosphere.

Mr. Speaker, this is just one of 27 solar projects we funded this year. Interest in the potential of solar electricity continues to grow. The Tlicho Government is proposing proposed utility-scale solar projects in two of its communities, which will allow us to determine the maximum solar capacity on their grid.

Biomass currently constitutes about 12 percent of total heating fuel consumption in our communities. More than 130 wood and wood pellet stoves and boilers have been installed in people’s homes this year with support provided by this government. During the past five years, we have commissioned 11 biomass heating systems in larger government buildings resulting in the displacement more than 2.4 million litres of heating oil, equivalent to about 16 percent of the GNWT's heating fuel consumption. These projects have reduced more than 6,500 tonnes of greenhouse gas emissions from government operations.

The demand for biomass energy continues to grow as communities realize the potential for energy reduction and the opportunities for local supply.

We continue to work with Aboriginal governments and communities to assess the best approach for developing forest industry opportunities and local biomass fuel production to support more biomass energy developments.

Mr. Speaker, interest in establishing a wood-pellet manufacturing facility in our territory will provide significant economic benefits and employment opportunities in communities where they are most needed.

Our role is to support the sustainable development of a local forest industry. Biomass energy and supply are providing an avenue to accomplish this by providing essential forest planning support, resource information, and advice to communities and entrepreneurs on sustainable development and management of our forest resources.

Actions being taken by industry, communities and Aboriginal partners complement the work we are taking and are essential to helping us achieve our long-term goals. For example, the Diavik Diamond Mine installed four wind turbines that started production in September 2012. These turbines have a total generation capacity of 9.2 megawatts and are expected to reduce emissions by 12,000 tonnes per year.

The City of Yellowknife just received recognition from the Federation of Canadian Municipalities for the steps it is taking to reduce greenhouse gas emissions. Through their Community Energy Plan, the city has reduced its emissions by 10 percent since 2004.

The Tlicho Government recently installed a biomass-fired district heat system that will provide heat to seven buildings in Behchoko. This system will reduce heating oil use by 200,000 litres per year and eliminate 530 tonnes of greenhouse gas emissions a year.

The Tetlit Gwich’in Council in Fort McPherson is now installing a biomass boiler in their community and is taking steps to start harvesting their own local wood supply to provide the fuel.

Mr. Speaker, I have mentioned only a few of the businesses and communities taking steps in the same direction that the GNWT is moving because these are cost-effective measures. We have demonstrated that there are ways to reduce greenhouse gas emissions in ways that make financial sense. We will need to continue with this work. While we are on track to meet our next target of stabilizing greenhouse gas emissions at 2005 levels by the year 2015, it will be a challenge to continue to identify and implement actions that can meet the energy needs of our growing economy.

At the recent energy charrette, many participants discussed the need to ensure the NWT has access to clean, reliable energy at competitive prices. The implementation of actions outlined in the revised Greenhouse Gas Strategy is occurring on a cooperative and collaborative basis with a wide range of government, non-government and industry groups. This approach will move us all closer to our common goal of a strong and sustainable North. Thank you.

**MR. SPEAKER:** Thank you, Mr. Miltenberger. The honourable Minister of Industry, Tourism and Investment, Mr. Ramsay.

## MINISTER'S STATEMENT 46-17(4): SUPPORT FOR THE NWT AGRICULTURE SECTOR

**HON. DAVID RAMSAY:** Mr. Speaker, sustainable agricultural initiatives play a key role in lowering the cost of living across the territory and diversifying our economy.

Last September in Whitehorse, as part of a meeting of Ministers responsible for agriculture and agri-foods in Canada, I endorsed the multilateral Growing Forward 2 Agreement for agriculture. This agreement sets the stage for bilateral negotiations between the GNWT and the federal government on a new five-year joint funding agreement for agriculture in the NWT.

I am happy to advise Members of this Assembly that these negotiations, on both a multilateral agreement and a subsequent bilateral agreement to continue and expand the very successful Growing Forward Program in the NWT, are on schedule to be completed in time for this year’s growing season.

The Growing Forward 2 Agreement will provide up to $1.2 million per year for the NWT agriculture sector over the next five years, a funding increase of almost $500,000 per year.

Mr. Speaker, the average cost of food in the NWT is almost the highest in Canada, second only to Nunavut and approximately 30 percent higher than in Ontario.

We must continually find ways to not only reduce the cost of food, but also to diversify the types of affordable healthy food choices that are available and ensure greater access to them.

We have witnessed tremendous growth in agriculture initiatives in the NWT over the past number of years. Residents have expressed keen interest in seeing this continue. Thanks in part to the program that we are now working to expand, nearly every community has some form of gardening project in place. These range from smaller community-run gardening plots to commercial greenhouses.

From Norman Wells’ potatoes to Hay River’s Polar Eggs, we are seeing the agriculture sector blossom from our southern border to north of the Arctic Circle.

Mr. Speaker, increasing the supply of locally produced food through agriculture and traditional harvesting, diversifying the food basket and lowering the cost of food for families are priorities that are continually identified to us by our constituents across the NWT.

In the coming years the new Growing Forward 2 Agreement will allow us to expand community garden initiatives to enable surplus product to be sold commercially, enabling community grocery stores to promote locally or northern produced foods alongside southern imported foodstuffs.

We are also looking at extending support to small livestock operations, supporting municipalities in identifying more lands for agriculture development within their municipal boundaries, and increasing support to our private sector.

The GNWT’s investment in agriculture further supports the 17th Legislative Assembly’s priority to support small business and the traditional economy in the interest of strengthening and diversifying the NWT economy. Thank You, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Ramsay. The honourable Minister of Education, Culture and Employment, Mr. Lafferty.

## MINISTER'S STATEMENT 47-17(4): EDUCATION RENEWAL UPDATES

**HON. JACKSON LAFFERTY:** Mr. Speaker, the Education Renewal and Innovation Initiative is examining a wide range of issues facing education in the NWT and developing a comprehensive plan to address these. The development of this plan and many aspects of the plan itself will involve participation of other GNWT departments. I am happy to report that a wide range of GNWT departments have dedicated staff to participating in this process. The plan itself is scheduled to be completed by this late fall/winter.

The renewal initiative is currently in the research and engagement phases. The project charter, describing the work ahead, will draw upon the Aboriginal Student Achievement Initiative and, once completed, the Anti-Poverty Strategy, the Safe Schools Strategy, the Mental Health and Addictions Strategy, the Early Childhood Framework and the Inclusive Schooling review. At the heart of it all, our work will be guided by the principles of basing educational change in both evidence-based research and culturally appropriate approaches.

Mr. Speaker, we are not alone in our efforts to improve student outcomes. Other jurisdictions are doing the same. All across Canada we see growing levels of student disengagement, fragmented approaches to learning, a growing gulf between what, and how, students are learning in school settings, and what our students face when they leave school and enter the workforce.

Much work has been done and more is underway:

* We have a dedicated team at ECE leading this work. Several project teams have been created, and have researched best practices and relevant programs in the North, and elsewhere in Canada and the world.
* A discussion paper based on this research will be developed by the end of March.
* ECE staff will be meeting with board superintendents and curriculum supervisors for a full day consultation April 10th.
* The NWTTA is a particularly active partner in this work. We are encouraged by the possibilities of working together and making positive changes to education in the NWT. ECE will be meeting with NWTTA regional presidents and staff for a full day consultation April 11th.
* A major roundtable is scheduled for the end of April. This will bring together the project teams with interdepartmental participation. Conversations among project teams will ensure that each of these major areas is addressed in ways that complement the work being done in other project areas.
* Engagement with Aboriginal leadership and students is planned for May and June.
* Draft work on direction gained from these consultations will be done over the summer.

With these issues top of mind, Mr. Speaker, we have a momentous task in front of us. We believe that we are making progress to help us achieve this goal, through some of our programs already mentioned, the evidence-based research, and through our collaborations with education and Aboriginal leaders, stakeholders, and communities. We hope for good collaboration, constructive comments and critical conversations that will help inform and guide this important work. Mahsi, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Lafferty. Deputy Premier, Mr. Lafferty.

## MINISTER'S STATEMENT 48-17(4): PREMIER ABSENT FROM THE HOUSE

**HON. JACKSON LAFFERTY:** Mr. Speaker, I wish to advise Members that the Honourable Bob McLeod will be absent from the House for a portion of today’s proceedings to attend meetings with the Prime Minister. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Lafferty. Item 3, Members’ statements. The honourable Member for Sahtu, Mr. Yakeleya.

# Members’ Statements

## MEMBER’S STATEMENT ON NWT LIQUOR COMMISSION AND ALCOHOL CONSUMPTION IN THE NWT

**MR. YAKELEYA:** Thank you, Mr. Speaker. I am always learning something about this job. For example, I learned that it is the official vision of the NWT Liquor Commission that “our customers will have a healthy and responsible attitude towards alcohol consumption.” The vision is backed by the mission which includes promoting development of a healthy and responsible drinking culture.

When I see what’s going on in most NWT communities, I think there’s a way to go before the Liquor Commission vision and mission become a reality. The reality is consistent with some of the facts from the commission’s annual report. The Liquor Commission sells $46 million worth of hard liquor, beer and wine a year and makes a 53 percent profit on it.

Our government sells more hard liquor – spirits as we call it – than beer, at least by the dollar value. That’s $19.5 million a year, or 42 percent of total sales of alcohol.

What does that tell us about our drinking and how responsible we are as drinkers? Well, in British Columbia the sale of hard liquor is only 26 percent of the total. It looks to me like people there drink more responsibly than we do. It’s too bad we don’t have any statistics about how much hard liquor our system sells to the bootleggers. I guess it’s quite a bit. They don’t buy a lot of wine or beer. Selling booze to bootleggers is probably quite profitable to our government’s Liquor Commission. How responsible is that, Mr. Speaker?

I could go on about the health indicators that suggest our territory suffers from an unhealthy and irresponsible drinking culture. So how is the NWT Liquor Commission going to live up to their mission to change that? It looks like the commission spends $38,000 a year on communicating and advertising. That’s a bit more than one-tenth of 1 percent of the commission’s profits. That’s a pitiful investment. We get warning stickers on bottles, a couple of brochures, a booklet and some posters. I think it’s only fair to say that’s little more than token half-hearted lip service.

We suggest that the commission’s profits go 10 percent to the direct health and benefits of the mission statement like the smoking cessation program. More needs to be done if you are going to have a healthy and responsible drinking culture.

I’d like to ask the Finance Minister some questions later on. Thank you.

**MR. SPEAKER:** Thank you, Mr. Yakeleya. The honourable Member for Frame Lake, Ms. Bisaro.

## MEMBER’S STATEMENT ON NWT ELECTORAL BOUNDARIES COMMISSION INTERIM REPORT

**MS. BISARO:** Thank you, Mr. Speaker. Today, as several of my colleagues have done before me, I want to highlight the Electoral Boundaries Commission and the consultations that are currently in progress across the NWT.

The Electoral Boundaries Commission is established every eight years to review our NWT electoral boundaries and ridings. The commission considers the populations of our current ridings and determines if all ridings are equitable. It recommends possible changes to the Legislative Assembly, and the Assembly then debates the issue and does or does not make changes to the NWT Elections Act.

The commission is currently trying to decide whether the territory should lose one electoral district, add two more, or keep the current 19 electoral districts. The commission has an interim report and they are seeking feedback on the report from residents on the three options that are put forward in that report.

A public meeting was held about a month ago here in Yellowknife, to hear that kind of feedback. Unfortunately, it was extremely poorly attended. A second meeting is scheduled for tomorrow evening, March 12th, at 7:00 p.m. at Range Lake School and I hope to see many more Yellowknifers out this time so that the commission hears Yellowknifers’ views. Why should people bother to go? This is important to all Yellowknife residents because it affects how they are represented in the Legislative Assembly.

The city of Yellowknife is currently under-represented here. This city has 50 percent of the population of the NWT but only 37 percent of the seats in this Legislature. Is this a concern for Yellowknifers? If so, you Yellowknifers have to let the commission hear your views. It’s not enough to contact your MLA. The commission needs to hear from residents because silence is generally taken as assent. Do Yellowknifers feel that our city gets its fair share of the GNWT budget and resources? If not, would more Yellowknife Members help to right that imbalance? The commission won’t know if you don’t tell them.

The commission’s interim report can be viewed at [www.nwtboundaries.ca](http://www.nwtboundaries.ca). Check it out and then consider attending tomorrow night. Get involved and be heard. All views, both pro and con, should be provided to the commission to guide their discussions in the development of their final report. I hope to see a full to overflowing room tomorrow night at Range Lake North School.

**MR. SPEAKER:** Thank you, Ms. Bisaro. The honourable Member for Yellowknife Centre, Mr. Hawkins.

## MEMBER’S STATEMENT ON DEVOLUTION AGREEMENT – PUBLIC ENGAGEMENT

**MR. HAWKINS:** Thank you, Mr. Speaker. It’s probably an understatement today to say it was a spectacular move forward on the evolution of the people of the Northwest Territories and our governance model with the Prime Minister here today to announce that the devolution negotiations have come to an end. Of course, that only means one thing: We are pushing forward to an implementation of, finally, the authority and respect that we deserve. I would say that today is certainly a great day for the people of the Northwest Territories.

In that great day there are a lot of questions about what this future will bring, what limitless bounds are before us. What is so critical about this opportunity today is the future belongs to Northerners and it’s ours to carve out, it’s ours to tread, it’s ours to grab and hold.

I’ve been asked by many people, the public, what does the final agreement mean. I look forward to the Premier bringing forward that type of robust discussion to all Northerners so that we can see what the final agreement finally does in the details and the sense of, as they always say, the devil is in the details. This agreement certainly is no exception to that.

The people do want to see the details. While we were on break only a few minutes ago, many people were wondering now what’s next. What does it mean? Where does it take us? I hope that the Premier does hope for a public engagement strategy on informing Northerners what our government has negotiated on their behalf. As Members of this Assembly, we are privy to some of those finer details but, at the same time, we’re cloaked in the confidentiality of that. I look forward to the Premier bringing forward that type of discussion.

There are many people looking forward to being brought on board in support for this Devolution Agreement, but they do want to know what it means. I don’t hear a lot of opposition here in Yellowknife, but that’s not to say people don’t want to know what their government is taking them towards or what rabbit hole we’ve now found ourselves plunging down.

I will say for the record, of course, that I am in support of the Devolution Agreement that was signed here today. I know the work has been long sought after. We have at least 12 years, if not decades, beyond that which have brought us to the final pen signature today. There is clarity sought after in my statement today which is about what devolution means. Many people don’t understand, and would like to understand about the authorities and powers it draws down, the resource control, the land and water board stewardship that we will be as a people managing ourselves.

In closing, earlier today our Premier made mention that there would be a vote before the Assembly and that type of discussion I would like to hear more of, and during question period I will be having those types of questions for the Premier to find out how Northerners will be engaged in the next step.

**MR. SPEAKER:** Thank you, Mr. Hawkins. The Member for Deh Cho, Mr. Nadli.

## MEMBER’S STATEMENT ON ACKNOWLEDGING THE CONTRIBUTIONS OF MARGARET LANDRY AND PAULINE BONNETROUGE

**MR. NADLI:** Thank you, Mr. Speaker. I rise today to congratulate two remarkable women in my riding: Margaret Ann Landry and Pauline Bonnetrouge. On March 8th, the Status of Women Council honoured Margaret Ann Landry of Fort Providence as one of this year’s wise women. Margaret was chosen for this award for her tireless work for people in need. She cleans houses for the elders, runs errands, and cooks and shares food with the hungry. She opens her door to women who are in need of shelter from abuse and listens to them with compassion. Congratulations to Margaret on this well-deserved award.

As of this Sunday, Pauline Bonnetrouge of Fort Providence was 100 years young.

---Applause

As a child, Pauline travelled with her parents on the trapline, living in stick lean-tos. Her sisters taught her how to tan hides, set snares, fix snowshoes and sew. After she got married, Pauline enjoyed helping her husband on the land. She would take their dog team to visit her nets and set snares. Pauline also became a traditional midwife and delivered a lot of babies in the Fort Simpson area in the 1940s. She herself had seven children, 16 grandchildren, 19 great-grandchildren and six great-great-grandchildren.

Congratulations to Pauline on her milestone birthday. She is a true matriarch of her community.

Fort Providence is greatly blessed to have women like Margaret Ann Landry and Pauline Bonnetrouge among us.

**MR. SPEAKER:** Thank you, Mr. Nadli. The Member for Nahendeh, Mr. Menicoche.

## MEMBER’S STATEMENT ON IMPORTANCE OF MAINTAINING CONNECTIONS TO SMALL COMMUNITIES

**MR. MENICOCHE:** Thank you very much, Mr. Speaker. I was pleased to see the signing of the devolution deal today. I know that over time we’ve always said as our government moves forward that we’ll have more money for our government, but I just want to speak about the things that we do today about flying to the smaller communities. We’re still having lots of different departments, for example, a community like Trout Lake will have three airplanes come in to the community, and we’ve spoken many times in this Assembly about coordinating those visits, even, indeed, with the federal government. It’s about coordinating and saving money for the budget for these departments and overall towards even the federal departments as well.

I just want to remind government again, that we have to coordinate these visits and get into the communities. Overall, we still have to be fiscally minded as we approach this. In the small communities, you see three planes fly in and it’s kind of a shame knowing that they’re all coming out of Fort Simpson and all on the same day, when we can coordinate these efforts, so I’d like to remind government to continue that practice.

**MR. SPEAKER:** Thank you, Mr. Menicoche. The Member for Inuvik Boot Lake, Mr. Moses.

## MEMBER’S STATEMENT ON INUVIK INTERAGENCY COMMITTEE

**MR. MOSES:** Thank you, Mr. Speaker. Today I’d like to just discuss some of the work that the Inuvik Interagency Committee has been doing over the past year, I suppose. On the request of the Inuvik Interagency Committee, research was conducted in the community of Inuvik by Dr. Michael Young with the Royal Roads University on a Hard to House research program that he worked on. It presented initial findings on the research that he did with homelessness in Inuvik that was done this past winter. The way he did it was he did a lot of surveys and he did some focus groups, specifically with individuals who have been homeless or without stable housing in the past year, and then they explored strategies that could assist them in avoiding homelessness and securing long-term housing.

This week, on Thursday, in the community of Inuvik, I encourage all Members and all organizations that work with people in homelessness and also with mental health and addictions to attend this event. I look forward to getting the information and the research findings from this event and look at creating some type of strategy here with the government so that it can be one of our documents and, kind of, templates that we might be able to follow to address the homelessness issues in our small communities in our regions.

I just want to comment all the hardworking individuals, and organizations and groups from the Inuvik interagency meeting that I’ve had the pleasure of working with for the last 12 to 13 years, and all the great programs that they do, this being one of them. Like I said, I look forward to finding those results, creating strategies and being able to not only help the people of Inuvik that need long-term stable housing and a place to live for the homeless, but for all communities of the Northwest Territories, and creating that template that I will be able to bring into the House and share with all the Members and residents of the Northwest Territories. Like I said, I commend all the hard work that the interagency group in Inuvik does and taking care of the people of the community. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Moses. Member for Weledeh, Mr. Bromley.

## MEMBER’S STATEMENT ON DEVOLUTION AGREEMENT AND FEDERAL AUTHORITY FOR ENVIRONMENTAL ISSUES

**MR. BROMLEY:** Thank you, Mr. Speaker. Just literally a few minutes ago, this House was resounding with the news of devolution. I would like to offer my congratulations to the Premier and his staff, our government and previous governments that have led to this devolution deal as well as, of course, Aboriginal leaders.

It’s great to see that all of the Aboriginal governments with settled land claims are at the table. We will apparently have considerable new authority with this devolution deal, but I also noticed, as I’m sure others did, that there were some binders on the words that we heard earlier today, one of which was, of course, that we have two Aboriginal governments without settled authorities who are still not at the table. Obviously, we need to work on that.

And even a bigger concern is that we heard that apparently the federal government retains the authority for environmental impacts and review. We have the authority to mine and to drill, but we don’t need to worry about the environment because that apparently will be the responsibility of the federal government. This, of course, is in contrast to what we’ve been hearing from our Premier and Ministers during our debates on environmental issues with respect to devolution.

So my question will be: Where will we get the authority for dealing with the management of the land issues? It’s clear that this is being retained by the federal government. So in all respects, I think this will take quite a period of time to look at. We obviously need a thorough consultation.

I’m very happy that we are making progress and that we signed this agreement, but I also have some grave concerns. I will be looking forward to a real consultation opportunity with all of the public, and debate the various aspects of this deal.

My biggest concern remains. It is almost diabolical that we’ve been given the authority to go out and develop and dig out all of these resources that were mentioned, whereas we have to trust the federal government to look after the land. That is a concern and I will be speaking on that and asking questions when I can. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Bromley. Member for Hay River South, Mrs. Groenewegen.

## MEMBER’S STATEMENT ON NWT ELECTORAL BOUNDARIES COMMISSION INTERIM REPORT

**MRS. GROENEWEGEN:** Thank you, Mr. Speaker. I’d like to join some of my colleagues in their suggestion that people get out and attend the public hearings of the Electoral Boundaries Commission, and have their say and have their input into how they think this Legislature should look in terms of representation from across the Northwest Territories.

I have served in this House for a few terms now. I have served in this House with 24 Members, I’ve served with 14 Members and I’ve served with 19 Members, and I think I have a bit of a perspective on some of the issues that actually are related to the number of MLAs that are in this House. I have heard people say, we don’t need more MLAs; it costs too much money.

I would like to just put out there that what you see MLAs doing in this Chamber is not all of the work of MLAs when it comes to our formal work here in Yellowknife. Much of it is done in standing committees. In standing committees, when you do not have a critical number of people, there’s just something that’s lost, there’s something that’s missing. Even in this Chamber, if a couple of our Members are not present on any given topic or any given day, we just notice that the energy and the exchange and the vibrancy of the group tends to diminish as the number grows smaller.

Constituencies change. When I was first elected, I represented all of Hay River, the corridor and Enterprise. Since then, my riding has got… Well, there was a court challenge, so that necessarily changed the way the numbers that would make up each constituency. Subsequent to that, my constituency has actually been reduced in size with every term. So it isn’t like there have not been changes. People talk about the traditional constituencies, but there have been a lot of changes over the years, and I will say that the recommendations of the Electoral Boundaries Commission ultimately will come back to this House, and it’s the experience of us around this table that we’ll have the final say in what will be the final product that will be produced. But I want to tell people this is a regular and periodic exercise that we’d have as we strike the Electoral Boundaries Commission, that we look at these issues because the North is ever-changing, populations of different regions are changing, and we need to undertake this exercise in order to make sure we have the most appropriate representation in this House.

So I would encourage people to have their say, and then we will add to it our experience and our knowledge here and hopefully come up with a good product. Thank you.

**MR. SPEAKER:** Thank you, Mrs. Groenewegen. Item 4, returns to oral questions. Item 5, recognition of visitors in the gallery.

# Recognition of Visitors in the Gallery

I’d like to welcome Mrs. Melody McLeod, the wife of our honourable Premier Bob McLeod, because Bob’s not here. He’s off with the Prime Minister and I’d like to welcome you to the House. It’s always so good to see family members here. Mrs. Groenewegen.

**MRS. GROENEWEGEN:** Thank you, Mr. Speaker. I’d also like to welcome Melody McLeod because she is much more than Mrs. Premier, Mrs. McLeod has been involved in Metis politics, she’s very involved in the Catholic Church as a lay leader and has contributed much to the Northwest Territories in and of her own right. Thank you.

**MR. SPEAKER:** Thank you, Mrs. Groenewegen. Mr. Beaulieu.

**HON. TOM BEAULIEU:** Thank you, Mr. Speaker. I’d like to recognize my constituency assistant, Beverly Catholique.

**MR. SPEAKER:** Thank you, Mr. Beaulieu. Mr. Ramsay.

**HON. DAVID RAMSAY:** Thank you, Mr. Speaker. I, too, would like to recognize Mrs. Melody McLeod, the Premier’s wife, in the gallery. It’s a proud day for the McLeod family and I’m glad to see her here today. I know she was swelling with pride there earlier today. So, great to see her here. Thank you.

**MR. SPEAKER:** Thank you, Mr. Ramsay. Mr. Hawkins.

**MR. HAWKINS:** Thank you, Mr. Speaker. I have a few people I’d like to recognize, but first I’d like to start with the Pages here today. Chad Martin is from Mildred Hall School and he’s a constituent of Yellowknife Centre; as well as Miguel Gordon, who is a Mildred Hall student; and although not a constituent of Yellowknife Centre, Muhammad Awan is a Mildred Hall student. So I’d like to say, in some way, in some form the Mildred Hall students all belong to Yellowknife Centre, who I get to see regularly and I’m very proud to go to that school quite often as a parent of two kids that go there.

The other person I’d like to recognize at this particular occasion is Melody McLeod. I’ve known her a long time. I think she knows me better than I’d like to admit. So that said, I’d also like her to leave today knowing that Bob McLeod becomes more famous being her husband as opposed to the other way around. She’s truly a leader in many ways and I’m very thankful of knowing her as long as I have. Thank you very much.

**MR. SPEAKER:** Thank you, Mr. Hawkins. Item 6, acknowledgements. It was such a big, heavy day of lifting; we had such a good day today I’m going to call a recess.

---SHORT RECESS

**MR. SPEAKER:** Good afternoon, colleagues. Item 7, oral questions. Mr. Hawkins.

# Oral Questions

## QUESTION 221-17(4): PUBLIC ENGAGEMENT PROCESS FOR DEVOLUTION AGREEMENT

**MR. HAWKINS:** Thank you, Mr. Speaker. In my Member’s statement today, I spoke, of course, very highly to the Devolution Agreement, and I certainly underscored my support for the Devolution Agreement that has been finalized today. As we work towards implementation, the only outstanding issue is a couple small ones, which are, of course, public appreciation for the finer details of the Devolution Agreement.

My question would be to the Premier and is: When will we have some type of public dialogue that boils down the finer details of what the Devolution Agreement actually means, and what type of process do we have to engage our citizens in understanding these types of details?

**MR. SPEAKER:** Thank you, Mr. Hawkins. The honourable Premier, Mr. McLeod.

**HON. BOB MCLEOD:** Thank you, Mr. Speaker. We are just in the process of developing our draft communications strategy, and I think we are sharing it with committee. If it hasn’t reached committee yet, it will be there very soon, in the next day or so.

**MR. HAWKINS:** That’s certainly good news that it sounds like something’s coming. We have to be fair. I mean, it doesn’t just show up. Some work has to be done.

In the Premier’s very well-crafted comments when he was speaking here before the Prime Minister, he had made mention of a vote. I’d like to know, or ask the Premier, what type of vote is anticipated on this final Devolution Agreement and when can we expect to see this.

**HON. BOB MCLEOD:** If the Members wish, we would put it to a vote in the Legislative Assembly, and it would be a yes or no vote.

**MR. HAWKINS:** I think I’m a little surprised, more so by the words “if we would like to.” How do we get it clear on the record here? Because the way he said it today made it sound like it was coming to the Assembly and it was a foregone conclusion that we would have a public discussion on this and a final vote, of course.

That said, what type of direction does the Premier need to ensure that we actually have a final vote on this particular issue before this Assembly?

**HON. BOB MCLEOD:** We expect that it will take about 40 to 50 days to have our public engagement and communications done on devolution, and I expect that we can vote on it in the May-June session.

**MR. SPEAKER:** Thank you, Mr. Minister. Final, short supplementary, Mr. Hawkins.

**MR. HAWKINS:** Thank you, Mr. Speaker. Just quickly, I know some Members may prefer something larger. Myself, I prefer a vote in this Assembly. I think the people elect us for a particular reason: to lead on these particular issues. As proof, as you noticed today, we had five out of the seven Aboriginal groups signing on, so it shows broader support for this initiative, by all means. I prefer a public vote in this Assembly, and maybe the Premier could speak to how he feels that that will get the message on and carry forward these initiatives. Because I think citizens want to know are their leaders leading, and how we’re leading on this very important file and make sure the execution of it is properly done.

**HON. BOB MCLEOD:** I agree with the Member.

**MR. SPEAKER:** Thank you, Mr. McLeod. The Member for Sahtu, Mr. Yakeleya.

## QUESTION 222-17(4): NWT LIQUOR COMMISSION

**MR. YAKELEYA:** Thank you, Mr. Speaker. In my Member’s statement I talked about the NWT Liquor Commission. The NWT Liquor Commission mission underlines the statement here to promote and develop a healthy and responsible drinking culture. That’s one of the missions.

I’m going to ask the Minister of Finance, responsible for the NWT Liquor Commission, in regard to the profits and the revenue that they make every year. Can the Minister consider offering a percentage, of 10 percent or so, to the Liquor Commission that would support their mission, something like they have with the Department of Health and Social Services smoking cessation program where the money goes directly to that program to help the young people to have that type of awareness in their use of alcohol?

**MR. SPEAKER:** Thank you, Mr. Yakeleya. The Minister of Finance, Mr. Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. In his Member’s statement the Member did mention the modest amount of money that he said he pulled from the report that the Liquor Commission spend on education. I think the number he mentioned was $38,000. I don’t have that report in front of me; however, I take very clearly the Member’s point. If there is an interest from the Social Programs committee and the Legislature as we look at developing the business case and the business plans for the upcoming cycle, then we’ll start as soon as we conclude this particular budget cycle. We would be definitely very willing and committed to having those discussions. Thank you.

**MR. YAKELEYA:** Mr. Speaker, I want to also say that that is the wish of the Members on this side, if the Minister will work with us. If I’m hearing correctly, is the Minister then willing to put that into the business plans for the upcoming session?

**HON. MICHAEL MILTENBERGER:** The critical issue is the need to do a better job in terms of educating people about responsible drinking or not drinking at all and pregnant mothers not drinking. We need to have that discussion about the best way forward. He has pulled a number out of the air, a safe 10 percent is what his comment was. I am saying let’s agree that that’s a discussion that needs to be had and let’s see what we collectively can come up with for the next business planning process about the best way forward, and not forgetting the fact that we want to continue to stay coordinated and work very closely with Education and Health and Social Services and all the work they do, as well, about education with responsible drinking and alcohol abuse. Thank you.

**MR. YAKELEYA:** Mr. Speaker, the Northwest Territories Liquor Commission had sales of $46.3 million in 2011-12. When you go through the numbers, the revenue earned on that $46.3 million was about $24 million, so the number I pulled out of here is 10 percent of that. So that’s about $2.4 million I’m asking for. Would the Minister look at those types of numbers when it comes down to the business plans?

**HON. MICHAEL MILTENBERGER:** Mr. Speaker, I would point out, as I have numerous times in the past, that, in fact, what we spend on dealing with problems related to alcohol abuse dwarfs what little money we make selling it, in terms of health, social services, education, justice and housing.

Yes, we will have the discussion in a forum where we can, in fact, have a discussion in the House. I do acknowledge that we are prepared to do that and we’ll talk specifically about the Member’s suggestion, and what other suggestions may be there if it’s done with a broader committee and as well as the folks from the Liquor Commission and Finance. Thank you.

**MR. SPEAKER:** Thank you, Mr. Miltenberger. Member for Hay River South, Mrs. Groenewegen.

## QUESTION 223-17(4): FUNDING FOR THE NORTHERN FARM TRAINING INSTITUTE

**MRS. GROENEWEGEN:** Thank you, Mr. Speaker. My questions are for the Minister of Industry, Tourism and Investment. He talked in his ministerial statement today about the Growing Forward 2 Agreement providing $1.2 million per year for the NWT agricultural sector over the next five years. This is an increase in funding of almost $500,000 per year.

There has been a proposal before ITI with respect to the Northern Farm Training Institute, which is scheduled to start up in Hay River in the month of April. I would like to ask the Minister if any plans have been finalized for the magnitude or the scope of funding that this organization requires to get going out of this funding. Thank you.

**MR. SPEAKER:** Thank you, Mrs. Groenewegen. The honourable Minister of Industry, Tourism and Investment, Mr. Ramsay.

**HON. DAVID RAMSAY:** Thank you, Mr. Speaker. It would be anticipated that that would come out of this funding. Discussions are underway with the proponents in Hay River and the department. I could provide the Member, and I know other Members have had questions about where this is at. We can provide an update to Members at the earliest opportunity. Thank you.

**MRS. GROENEWEGEN:** Mr. Speaker, we seem to have tens of millions of dollars as a government to put into big projects. This is a small project. Pardon the pun, but this is a grassroots project, which is very hinged on the proponents who have a passion for sustainable work, and jobs, and endeavours that are completely doable and renewable within our territory. I appreciate the ADM taking the time to meet with the proponents from Hay River recently. I appreciate the Minister’s support, but I don’t want this to get weighed down in the bureaucracy, and I’d like the Minister’s support that he will steer this proposal through the bureaucratic red tape and ensure this project gets off the ground. Thank you.

**HON. DAVID RAMSAY:** Thank you. I have met with the proponents in the past and I am very supportive of the project moving forward, and I’ve given the proponents every indication that I will continue to support their efforts. We have to continue putting together a package, a plan on how this money is going to be spent. I certainly would anticipate that the project in Hay River is going to bring people in from the communities and train them in Hay River so they can go back to their home communities and train others is going to be an integral part of this new Growing Forward 2 funding. Thank you.

**MR. SPEAKER:** Thank you, Mr. Ramsay. Item 8, written questions. Item 9, returns to written questions. Mr. Clerk.

# Returns to Written Questions

## RETURN TO WRITTEN QUESTION 8-17(4): GNWT CONTRACTS AWARDED TO SOUTHERN CONTRACTORS

**CLERK OF THE HOUSE (Mr. Mercer):** Mr. Speaker, I have a return to written question asked by Mr. Moses to the Honourable David Ramsay, Minister of Industry, Tourism and Investment, on February 18, 2013, regarding GNWT contracts awarded to southern contractors.

For the 2011-2012 fiscal year, 2,223 GNWT contracts were awarded. Of this, 433 contracts were awarded to southern contractors.

For the 2012-2013 fiscal year to December 31, 2012, 292 contracts out of a total of 1,514 contracts were awarded to southern contractors.

Of the 136 change orders that were done to adjust the contracts, there were 103 that were specific to the 2011-2012 year. The remaining 33 contract change orders were for multi-year contracts from prior years that were still in effect in 2011-2012.

Up to December 31, 2012, of the current fiscal year, 76 change orders were issued, of which 39 change orders are specific to the current year’s contracts. The remaining 37 contract change orders were for multi-year contracts from prior years but still in effect in 2012-2013.

The total cost for 103 change orders amounted to a credit to the GNWT of $101,205. The remaining 33 contract change orders, for multi-year contracts from prior years but still in effect in 2011-2012, the value of change orders totaled $23.9 million.

The 39 change orders specific to 2012-2013 amounted to $318,613. For the remaining 37 contract change orders, for multi-year contracts from prior years but still in effect in 2012-2013, the value of change orders totaled $15.5 million.

The majority of the change orders to multi-year contracts from previous years relate to the Deh Cho Bridge Project and various software contracts the GNWT has in place.

The departments of Public Works and Services, Transportation, Environment and Natural Resources, Municipal and Community Affairs, and Industry, Tourism and Investment are responsible for the vast majority of the GNWT’s contracting activity.

There were no supplementary appropriations made in 2011-2012 that relate to contract change orders, nor have any been brought forward to date for this fiscal year and, as such, there are no extra costs to report.

## RETURN TO WRITTEN QUESTION 9-17(4): DEH CHO BRIDGE DEFICIENCIES

I have a return to written question asked by Mr. Hawkins on February 18, 2013, to the Honourable David Ramsay, Minister of Transportation, regarding Deh Cho Bridge deficiencies.

The Deh Cho Bridge has undergone a number of technical inspections within the quality control and quality assurance process. A full independent inspection took place November 6 and 7, 2012, by a team of engineers and experts to ensure the structure was ready for public traffic. A further inspection of the cables (December 15, 2012), the expansion joints (January 15, 2013) and the bearings/lock-up devices (February 6, 2013) all form part of the ongoing inspection regime by the GNWT to ensure specifications and contractual obligations are met. There will continue to be ongoing and detailed inspections this year as the contractor completes works. The tables are summaries of the inspection reports and technical reviews.

Later today, at the appropriate time, I will table the document Deh Cho Bridge Deficiencies which is divided into four tables to include:

1. Table 1 details the items which require further work by Ruskin under the contract to complete and were deemed incomplete by the inspection team.
2. Table 2 details the items which must be completed by Ruskin under the current contract that have not yet been started.
3. Table 3 details the items under the Atcon contract that must be completed by the Department of Transportation (DOT) under the terms applicable to the security funds.
4. Table 4 details the new works introduced by the DOT that are required to complete the project.

## RETURN TO WRITTEN QUESTION 10-17(4): ALCOHOL AND DRUG-RELATED EMERGENCY HOSPITAL AND HEALTH CENTRE VISITS

I have a return to written question asked by Mr. Moses on February 18, 2013, to the Honourable Tom Beaulieu, Minister of Health and Social Services, regarding alcohol and drug-related emergency hospital and health centre visits.

Health centre information is currently collected by the health and social services authorities. At this time there are no means to consolidate and report on this information on a territory-wide basis. The Department of Health and Social Services is examining options for a territory-wide system that would permit for efficient and effective reporting of service delivery at health centres.

In 2011-12, there were 16,222 visits to the Stanton Territorial Health Authority (STHA) emergency department from NWT residents and 1,790 from other residents. In the current fiscal year up to December 31, 2012, there have been 11,736 visits to the STHA emergency department from NWT residents, and 1,232 from other residents.

In cases where the physician has indicated that the patient was under the influence of alcohol and/or drugs, it is important to note that it is often not the reason the patient arrived in the emergency department. It should also be noted that there could be instances where the same patient has presented several times over the reporting period of the same or differing diagnosis.

The number of emergency room visits at Stanton Territorial Hospital in 2011-12 where alcohol and/or drugs were a factor is as follows:

* Of the 16,222 NWT resident visits, 1,276 had alcohol and/or drugs as a factor, and 28 also had an indication of a mental health disorder with self-harming or suicidal indications. Of these 1,276 patients,
* 833 were discharged home;
* 90 left against medical advice;
* 339 were transferred to an acute care inpatient institution (this includes other acute, sub-acute, acute psychiatric, acute rehabilitation, acute cancer centre, acute pediatric centre, et cetera); and
* 14 were transferred to another institution (this includes ambulatory care, palliative care facility/hospice, addiction treatment centre, jails, infants and children discharged/detailed by social services).
* Of the 1,790 non-NWT resident visits, 80 had alcohol and/or drugs as a factor, and three also had an indication of a mental health disorder with self-harming or suicidal indications. Of these 80 patients,
* 60 were discharged home;
* Two left against medical advice; and
* 18 were transferred to an acute care inpatient institution (this includes other acute, sub-acute, acute psychiatric, acute rehabilitation, acute cancer centre, acute pediatric centre, et cetera.)

The number of emergency room visits at Stanton Territorial Hospital in 2012-13 up to December 31, 2012, where alcohol and/or drugs were a factor is as follows:

* Of the 11,736 NWT resident visits, 606 had alcohol and/or drugs as a factor, and three also had an indication of a mental health disorder with self-harming or suicidal indications. Of these 606 patients,
  + 445 were discharged home;
  + 26 left against medical advice;
  + 130 were transferred to an acute care inpatient institution (includes other acute, sub-acute, acute psychiatric, acute rehabilitation, acute cancer centre, acute pediatric centre, et cetera); and
  + Five were transferred to another institution (includes ambulatory care, palliative care facility/hospice, addiction treatment centre, jails, infants and children discharged/detained by social services).
* Of the 1,232 non-NWT resident visits, 34 had alcohol and/or drugs as a factor, and none had an indication of a mental health disorder with self-harming or suicidal indications. Of these 34 patients,
  + 20 were discharged home;
  + One left against medical advice; and
  + 13 were transferred to an acute care inpatient institution (this includes other acute, sub-acute, acute psychiatric, acute rehabilitation, acute cancer centre, acute pediatric centre, et cetera).

When a patient is discharged from the emergency department it should be noted that they are not usually discharged directly to a facility-based alcohol or drug treatment program. This is usually because they often require some kind of stabilization in the hospital before they can go into treatment. Once stabilized, they work with their primary care physician or health authority to access a facility-based alcohol and drug treatment program. Furthermore, due to the current coding structure, there is no way to break these statistics down further without a manual chart audit. To undertake a review of this nature, written consent for every patient would be required. Thank you, Mr. Speaker.

## RETURN TO WRITTEN QUESTION 12-17(4): COMMUNITY FUEL PRICES

I have a return to written question asked by Mr. Menicoche on February 19, 2013, to the Honourable Glen Abernethy, Minister of Public Works and Services, regarding community fuel prices.

1. The total cost of fuel delivery to NWT communities served by the petroleum products division of Public Works and Services was $32,624,492 for fiscal year 2011-12.
2. The total cost of fuel delivery in Nahendeh communities served by the petroleum products division of Public Works and Services was $5,505,329 for fiscal year 2011-12.
3. The Department of Public Works and Services does not offer fuel subsidies on the products that the petroleum products division provides to communities.

The petroleum products division program is a revolving fund and not funded through appropriations as are most other government programs. As a revolving fund, the petroleum products division is funded through the sale of petroleum products to consumers, and through those sales the petroleum products division purchases more fuel to resupply community inventories. The petroleum products division is established through legislation to operate on a cost-recovery basis.

If the petroleum products division were to sell fuel at a price below cost to select customers or community locations, PPD would be required to sell fuel at a price above cost to other customers and communities to maintain a financially balanced operation.

The cost components in the price of fuel are:

* the wholesale cost of fuel;
* the cost of transportation of that fuel to the community;
* the commissions paid to the local community fuel sales contractor;
* a levy charged by PPD for administration, operation and maintenance; and
* federal and territorial taxes.

The Government of the Northwest Territories funds the cost of tank farm construction and the purchases of fuel delivery vehicles through the infrastructure acquisition planning process. These costs are not recovered in the price of fuel charged by the petroleum products division, and they represent a hidden subsidy of about eight cents per litre on all petroleum products sold by the PPD.

Additionally, the costs associated with the environmental remediation of tank farms are not recovered in the prices of fuel charged by the petroleum products division.

Government programs to assist residents with fuel costs do exist, and include those programs targeted at reducing home heating fuel costs for seniors and Income Assistance (IA), which provides financial support to low-income families. The Senior Home Heating Fuel Subsidy (SHHS) and IA are programs administered and funded through the Department of Education, Culture and Employment, The NWT Housing Corporation’s public housing programs provide income-based subsidies for the rental of housing for residents in need; this includes covering the costs for heating fuel. Funding assistance is also provided by the Department of Tourism and Investment through the Community Harvester’s Assistance Program (CHAP). Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Clerk. Item 10, replies to opening address. Item 11, petitions. Mr. Dolynny.

# Petitions

## PETITION 1-17(4) CREATION OF A TERRITORIAL ORGAN AND TISSUE DONOR REGISTRY

**MR. DOLYNNY:** Thank you, Mr. Speaker. I would like to present a petition dealing with the matter of the creation of a territorial organ and tissue donor register.

The petition contains 504 signatures of Northwest Territories residents. The petitioners request the creation of a territorial organ and tissue donation bank, working in conjunction with existing donor card programs, and deleting the opportunity for family right of refusal. Thank you.

**MR. SPEAKER:** Thank you, Mr. Dolynny. Item 12, reports of standing and special committees. I’d advise the Member to shut his phone off. Item 13, reports of committees on the review of bills. Item 14, tabling of documents. Minister of Education, Culture and Employment, Mr. Lafferty.

# Tabling of Documents

## TABLED DOCUMENT 47-17(4): AURORA COLLEGE ANNUAL REPORT 2011-2012

**HON. JACKSON LAFFERTY:** Mahsi, Mr. Speaker. I wish to table the following document, entitled Aurora College Annual Report 2011-2012. Mahsi.

**MR. SPEAKER:** Thank you, Mr. Lafferty. Mr. Ramsay.

## TABLED DOCUMENT 48-17(4): DEH CHO BRIDGE DEFICIENCIES

**HON. DAVID RAMSAY:** Thank you, Mr. Speaker. Further to my Return to Written Question 9-17(4), I wish to table the following document, entitled Deh Cho Bridge Deficiencies. Thank you.

**MR. SPEAKER:** Thank you, Mr. Ramsay. Mr. Miltenberger.

## TABLED DOCUMENT 49-17(4): SUPPLEMENTARY ESTIMATES (INFRASTRUCTURE EXPENDITURES), NO. 3, 2012-2013

## TABLED DOCUMENT 50-17(4): SUPPLEMENTARY ESTIMATES (INFRASTRUCTURE EXPENDITURES), NO. 1, 2013-2014

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. I wish to table the following two documents, entitled Supplementary Estimates (Infrastructure Expenditures), No. 3, 2012-2013, and Supplementary Estimates (Infrastructure Expenditures), No. 1, 2013-2014. Thank you.

**MR. SPEAKER:** Thank you, Mr. Miltenberger. Item 15, notices of motion. Item 16, notices of motion for first reading of bills. Item 17, motions. Item 18, first reading of bills. Mr. Miltenberger.

# First Reading of Bills

## BILL 4: APPROPRIATION ACT (OPERATIONS EXPENDITURES), 2013-2014

**HON. MICHAEL MILTENBERGER:** Mr. Speaker, I move seconded by the honourable Member for Yellowknife South, that Bill 4, Appropriation Act (Operations Expenditures), 2013-2014, be read for the first time.

**MR. SPEAKER:** Bill 4, Appropriation Act (Operations Expenditures), 2013-2014, has had first reading.

Item 19, second reading of bills. Mr. Miltenberger.

# Second Reading of Bills

BILL 4:  
APPROPRIATION ACT  
(OPERATIONS EXPENDITURES), 2013-2014

**HON. MICHAEL MILTENBERGER:** I move, seconded by the honourable Member for Yellowknife South, that Bill 4, Appropriation Act (Operations Expenditures), 2013-2014, be read for the second time.

This bill authorizes the Government of the Northwest Territories to make appropriations for operations expenditures for the 2013-2014 fiscal year.

**MR. SPEAKER:** Bill 4 has had second reading.

Item 20, consideration in Committee of the Whole of bills and other matters: Bill 1, Tlicho Statutes Amendment Act; Bill 2, An Act to Amend the Territorial Parks Act; Committee Report 1-17(4), Report on the Review of the 2011-2012 Northwest Territories Human Rights Commission Annual Report; Tabled Document 43-17(4), Supplementary Estimates (Infrastructure Expenditures), No. 4, 2011-2012; Tabled Document 44-17(4), Supplementary Estimates (Operations Expenditures), No. 4, 2011-2012; Tabled Document 45-17(4), Supplementary Estimates (Operations Expenditures), No. 3, 2012-2013; Tabled Document 49-17(4), Supplementary Estimates (Infrastructure Expenditures), No. 3, 2012-2013; Tabled Document 50-17(4), Supplementary Estimates (Infrastructure Expenditures), No. 1, 2013-2014, with Mrs. Groenewegen in the chair.

By the authority given me as Speaker, by Motion 1-17(4), I hereby authorize the House to sit beyond the daily hour of adjournment to consider business before the House.

# Consideration in Committee of the Whole of Bills and Other Matters

**CHAIRPERSON (Mrs. Groenewegen):** I call Committee of the Whole to order. What is the wish of committee today? Mr. Menicoche.

**MR. MENICOCHE:** Thank you, Madam Chair. Sorry, Madam Chair, I was just getting clarification. The committee wishes to consider Tabled Document 49-17(4), Supplementary Estimates, No. 1, 2013-2014, and Tabled Document 50-17(4), Supplementary Estimates, No. 3, 2012-2013.

**CHAIRPERSON (Mrs. Groenewegen):** Is committee agreed?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** We will take a short break – short break – so we can get some paper to the Members.

---SHORT RECESS

**CHAIRPERSON (Mrs. Groenewegen):** Members, I’d like to call Committee of the Whole back to order. We’re going to begin with Supplementary Estimates (Infrastructure Expenditures), No. 3, 2012-2013. I’d like to ask the Minister if he would like to bring his opening remarks. Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Madam Chair. I’m here to present Supplementary Estimates (Infrastructure Expenditures), No. 3, 2012-2013. This document provides for an increase of $11.390 million for capital investment expenditures in the 2012-2013 fiscal year. Major items in this supplementary estimate include:

* $1 million to report a special warrant approved on December 14, 2012, for the Department of Transportation to complete reconstruction of the Nahanni Butte access road that was damaged during the flood in June 2012;
* a transfer of $5.3 million from operations expenditures for the Department of Transportation to capitalize the debt servicing costs associated with the Deh Cho Bridge debt;
* $5 million for the Department of Transportation for activities related to the Inuvik to Tuktoyaktuk Highway Project, such as upgrade of the Source 177 access road, additional geotechnical investigations, and the continuation of environmental and engineering work. These costs will be partially offset by funding from the federal government.

I am prepared to review the details on the supplementary estimates document. Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Minister Miltenberger. I’d like to ask the Minister if he would like to bring witnesses into the Chamber.

**HON. MICHAEL MILTENBERGER:** Yes, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Miltenberger. Is committee agreed?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Agreed. Thank you. I will ask the Sergeant-at-Arms to please escort the witnesses to the table.

For the record, Mr. Miltenberger, could you please introduce your witnesses?

**HON. MICHAEL MILTENBERGER:** Thank you, Madam Chair. Mr. Mike Aumond, deputy minister of Finance; Mr. Russ Neudorf, deputy minister of Transportation; Mr. Sandy Kalgutkar, deputy secretary of the FMB. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Minister Miltenberger. Are there general comments on the Supplementary Appropriation, No. 3?

**SOME HON. MEMBERS:** Detail.

**CHAIRPERSON (Mrs. Groenewegen):** Okay. Thank you. Please refer to your document. Turn to page 5, please, 2012-2013 Supplementary Appropriation No. 3, (Infrastructure Expenditures). Transportation, capital investment expenditures, highways, special warrants, $1.028 million. Mr. Dolynny.

**MR. DOLYNNY:** Thank you, Madam Chair. With respect to the $5 million for the Inuvik-Tuk Highway Project for the Source 177 access road, the bullet point and what also is mentioned in the opening comments was that these costly parts should be covered from the federal government for this cost-shared project. I wonder if the Minister or department can indicate as to where would that be classified in the cost-sharing estimate in terms of a descriptor. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Dolynny. Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Madam Chair. I’m not sure I’m clear on the question. We have a project that costs $299 million. We know the federal government is putting in $200 million, 67 percent of the project, and we’re putting in $100 million. I’m not sure that is the issue that the Member was wanting me to address. Thank you.

**MR. DOLYNNY:** No, I’m fully aware, and I appreciate the Minister for again reassuring the people in the House of the breakdown. The question I have is will this show up in the appropriate cost-estimate breakdown at a moment in time when we do have that tabled in the House. Will that actually show up as a line entry, as a supp line within the budget? Thank you.

**HON. MICHAEL MILTENBERGER:** Madam Chair, it will be a line item. It will be amortized over the life of the project. That’s how it will be delineated in the budget documents. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Just before we proceed, I’d like to recognize in the visitors gallery today a former Premier of the Northwest Territories, Nellie Cournoyea; a former colleague, Member of the Legislative Assembly for Range Lake, Ms. Sandy Lee; and, of course, our federal Minister of Health, Leona Aglukkaq; and Mayor Gruben from Tuktoyaktuk as well. Welcome.

---Applause

Back, then, folks, to page 5, 2012-2013 Supplementary Appropriation No. 3, (Infrastructure Expenditures). Transportation, capital investment expenditures, highways, special warrants, $1.028 million.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Highways, not previously authorized, $10.3 million. Mr. Bromley.

**MR. BROMLEY:** Just for clarity, Madam Chair, are you including here now the $5 million for the Inuvik-Tuk highway 177?

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Bromley. Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** Yes, Madam Chair, the $5 million is dedicated towards the Tuk-Inuvik highway as laid out in the supplementary document. Thank you.

**MR. BROMLEY:** I think obviously we have been throwing a lot of money out on this project into last minute year-end activities on good faith, and obviously we haven’t had the questions that resolved or that they were meant to resolve. Is the intent to keep nickel and diming here, or is this essentially part of a go/no go decision that we’re discussing? Thank you.

**HON. MICHAEL MILTENBERGER:** This supplementary document and the one supplementary document No. 1, 2013-14, are both related to Inuvik. This particular line item is related to the Inuvik-Tuk highway, and as we approve this amount and the one in the subsequent supplementary appropriation, we will be affirming the proceeding of the Tuk-Inuvik Highway Project. Thank you.

**MR. BROMLEY:** Thank you. On that basis I appreciate the Minister’s comments there. I want to be sure that everybody realizes and I’m getting it right when I discuss this as a go/no go decision point. So I do have a number of comments.

There have been a lot of changes to this project over a very short period of time. Every one of them have pointed at increasing costs to the GNWT and also mounting costs to the total project. So just to review those, the original agreement that the federal government dangled in front of our noses was 75/25 at a cost of $200 million. That was going to cost this government $50 million and we thought that was affordable. In fact, we put it on our priority list at that time. It seemed like an awfully good deal. Subsequent to that we came up with a cost estimate for the project at $311 million to $341 million and we hoped for a 75/25 funding arrangement. That would mean GNWT costs had all of a sudden bumped up to $86 million to $93 million. Now I understand that, in fact, the split on the project is 67/33 and so if that’s the case, then I’ll ask the Minister to confirm that the cost to the GNWT is now up to $111 million to $147 million, if in fact we can stay within the costs indicated by the work done to date. Thank you.

**HON. MICHAEL MILTENBERGER:** Thank you. What we know is we have about $12 million in sunk costs that we’ve put in, preparatory work as governments do for big projects that are of critical importance to them. We have a project that has cost $299 million. We have a $200 million federal contribution and our cost will be the $99 million. I will point out, as well, that when we did our fiscal framework as we started a number of weeks ago now and we didn’t have the federal number, we had booked this project at $150 million of territorial investment just so that we had the costs covered off out of our fiscal framework. Now that we have the federal number of $200 million, we will readjust our fiscal framework and that will, in fact, reduce that commitment that we have from $150 million to $100 million. Thank you.

**MR. BROMLEY:** Thank you. That may have been the Minister’s thinking, but there was certainly no commitment from this House for $150 million for this project that I’m aware of. Now we’re being asked to approve another $5 million because we still have not proved up the gravel resources that, in fact, we’ve come back to the government trough on before, without getting what we need. So at what point do we say enough is enough and let’s put our dollars where we should be putting them rather than throwing them into a sinkhole?

**HON. MICHAEL MILTENBERGER:** When we do our fiscal forecasting, we make, I think, very good, appropriate decisions to make sure the money that we have is allocated to cover what has been identified as priorities of this government and this Legislature. The Tuk-Inuvik highway is one of those priorities. We will say enough is enough when we are all up on the Inuvik-Tuk highway cutting a ribbon that says we are now open for business and we will have a major northernmost chunk of the northernmost piece of the Mackenzie Valley Highway complete.

**MR. BROMLEY:** I don’t think there will be a big crowd there. In fact, the economic analysis done by this government has shown that because of the efficiency of the road, we will lose something in the order of 1,500 or 1,600 person years of employment, which is typical of the oil and gas industry. It’s a very low ratio of person jobs per invest, $1 million investment, and the loss will be very large here according to our studies. So the record we have is $7 million. We’re going to go find the gravel. We didn’t. The government came back, we need another $5 million, we got a few weeks left in the fiscal year and we’re going to spend that very effectively and we’re going to find the gravel. We approved that $5 million, they went out and they didn’t find the gravel. They found some but not enough to go to the bank with. Now we’re asking for another $5 million with two weeks left in the fiscal year. Obviously, some serious concerns on that record.

Let’s just review. We’ve gone from $200 million to $299 and that’s sort of a “trust me” figure. Obviously, $299, that sounds like I’m buying a shirt at a bargain price. I’m not sure how much trust we can put in it.

How much of the design for this project have we completed? Obviously, we know what happens in the past when we proceeded without a complete design. We had to toss out that design and come up with a brand new one and with tens of millions of dollars in extra cost. Recognizing that we’re dealing with taxpayers’ dollars here, where are we with the design?

**HON. MICHAEL MILTENBERGER:** The money that we’re asking for will be properly invested in this project to do the front-end work that we need to not just identify gravel sources but to do the geotechnical work. We’re at 85 percent in terms of the design and we will have that concluded over the coming months so that we have a full, approved plan as we look to start the construction this coming fall.

**MR. BROMLEY:** I do have quite a list of questions, so I will let my colleagues have a chance to speak here. I would note, in any projects that I’ve undertaken, it’s always the easy part that gets done first. It’s the last 10 or 15 percent that’s the most difficult. I’ve found that to be true, in fact, with our pricing of infrastructure. There is no way this bridge is only going to cost $299 million but – sorry, this road will cost that much, but I will be asking more questions and looking for more details on which to base a decision.

**HON. MICHAEL MILTENBERGER:** I’d just note the Member’s sharing of his experience in terms of projects and I look forward to his questions later.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Miltenberger. Next I have Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Madam Chair. I want to ask the Minister, with the recent government commitment to add another $50 million to the Inuvik-Tuk portion of the highway, making it $200 million, with the formula we were hoping for 75/25, and now it’s at 67 percent of the federal government’s commitment. Is that something that we as a government, in the future, are going to bank a formula with the federal government of the day? Because we are going to be pushing strong for the Mackenzie Valley all-weather road from Wrigley up to the Dempster Highway.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Yakeleya. Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Madam Chair. We will look at the politics of the day. The reality is if when we move from Wrigley up north to Norman Wells on the assumption that we’re going to have a robust oil play that is proved out, then there will be, I suggest, a whole different dynamic that is different than what is currently in play for the Inuvik-Tuk highway, and we would be looking to see if there was an interest from the federal government, but I would think that we would have an even greater interest from industry in some type of partnership arrangement to build that critical piece of infrastructure, which, as we’ve pointed out clearly now, is our next step. Once this road gets underway, we will be turning our attention to the Wrigley-Norman Wells portion of the Mackenzie Highway.

**MR. YAKELEYA:** The politics of the day is going to, I guess, as the Minister put it, determine how we fund the second portion of the all-weather road up the Mackenzie Valley. I would hope that I’m still in government by then and that we would have some discussion on that.

I’ve noted that in 1958 the Mackenzie Valley Highway was talked about. The portion of Tuk was also talked about at that time and more recently, in 2011. I do want to say that this money that we are giving them is something that certainly would support them to begin putting that road together, and good for them. They worked hard and long in that region. People have supported them. They did their lobbying and they did what they had to do to get this project off the ground. I think that for us Assembly Members who are around this table here, we need to reward the hard work and we need to know that there is a great North that needs to be built infrastructure-wise.

I’ve done some research on the infrastructure in the Northwest Territories with Transportation, the highway infrastructure from 2003 to 2013-14, and I looked at the sections of roads that we’ve put a lot of money into: Highways No. 1, 3, 4, the bridges and culverts. We put close to $200 million in that infrastructure. I have no issue with us building outside of this area. We need to look beyond that and I have no issue of supporting this $5 million. I know it’s going to certainly help with many other issues that they talk about so, once we look at it from the Sahtu, that we can get some support.

As the Minister noted, there is oil and gas happening in the Sahtu. International companies don’t sign a cheque for $700 million for nothing, especially if they know there’s something there. The Minister of ITI and I had some discussions with the oil companies, and all they can say it’s encouraging results and the results are very, very, very good, so good that Husky is putting in a $40 million $45 million all-weather road. That tells us something, that the play is happening. We may be a little slow waking up to it, but it’s happening. It’s over $100 million this year and last year it was close to $100 million spent. We know that we’re ready.

I also see in the paper that the highway is going into an environmental assessment. With this portion of the road, we certainly have a lot of questions. However, the key factor for me was the federal government putting in $200 million into this portion of the road that makes it okay. We have a couple of supporters here. That was the key for me to determine on this road here and I’m hoping that the department along with the partners are going to come to a conclusion that this is what we need to build it on.

The Minister talked about our roads into the Sahtu, of course, that we’re going to have another partner that might be interested, which is the oil companies. Of course, again he’s right, that the politics of the day would determine what kind of partnerships we’re going to form. But from ourselves in the Sahtu, we want to support the people up in Nunakput and the Inuvik area and reward them with the hard work they have done, and hopefully they would give us a hand.

With the federal government coming through, that it makes it easier for me to sleep at night now that the funding is going to be there. I think my only question was with the Minister on the formula of the funding. That’s all I have to say. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Yakeleya. I take that more as a comment but, Minister Miltenberger, would you like to respond in any way?

**HON. MICHAEL MILTENBERGER:** Thank you, Madam Chair. I appreciate the Member’s comments and support for the work we’re doing in terms of building the territory. Moving south to north is one that people have been dreaming about, that are landlocked, of an opportunity to have road access that many of us in the southern part of the territory take for granted and is a very fundamental type of service. Far from being a sinkhole, it’s a critical, beautiful part of the Northwest Territories and deserves the same type of attempts and basic service that the southern territory takes for granted.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Minister Miltenberger. Next I have Mr. Bouchard.

**MR. BOUCHARD:** Thank you, Madam Chair. I have a few questions for the Minister concerning the $5 million for the Tuk to Inuvik highway. Can he confirm that we have the gravel sources confirmed for the construction of this highway?

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Bouchard. Mr. Neudorf.

**MR. NEUDORF:**  Thank you, Madam Chair. Yes, we have gravel sources identified for the construction of the highway. Last winter we had gone and done quite a significant investigation and found the material required to construct the subgrade. We would like to carry that on to drill holes, do some more geotechnical investigation for some additional sources that are on the remainder of the route. With that information we will be able to go and finalize the design, so take it from an 85 percent to a 100 percent design. The geotechnical will also let us investigate bridge locations so we can finalize the design on the bridges as well.

**MR. BOUCHARD:** I’m looking at this supplement here for $5 million, and there only being several weeks left in the fiscal budget of the territorial government, I’m just wondering how the department expects to be able to spend this money on the upgrade to the 177 access road.

**MR. NEUDORF:** There has been much interest expressed by the contractors in the region to get work underway. The leaders in the region have asked us to get work underway as quick as we can. The last missing piece, and part of that was to get the letter from the federal government, and so we are here to seek this $5 million in additional funding for this year. We have been talking with contractors who are ready and willing to get that work underway as soon as the funding is approved.

**MR. BOUCHARD:** My next question is concerning we’ve been given some information from the federal government that they’re funding most of this project. I’m just wondering where the federal government sits on any cost overruns. Is that the responsibility of the GNWT?

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Bouchard. Mr. Miltenberger.

**HON. MICHAEL MILTENBERGER:** Yes, Madam Chair, we have a contingency built into the project, but clearly the cost overruns would be the responsibility of the Government of the Northwest Territories. Thank you.

**MR. BOUCHARD:** I realize that some of these are specific to the whole project, but my feeling is that the $5 million commitment here is kind of a tipping point if we go forward with this. I think we should be supportive of the whole project.

I guess my question is for the contracting out of this work and more to follow. Does the government expect contractors to carry bonding to complete this project?

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Bouchard. Mr. Neudorf.

**MR. NEUDORF:** Thank you, Madam Chair. We have not yet determined the final approach to procuring the construction work, but all government contracting procedures, rules and regulations would be followed as part of that. Thank you, Madam Chair.

**MR. BOUCHARD:** The deputy minister kind of led me into my next question. I’m just wondering how the GNWT expect… We talk about the economic development, the opportunity this provides for our members in our communities and our constituents in the Far North. I’m just wondering how the department expects to maximize the northern content for the employment on this project.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Bouchard. Mr. Miltenberger. Oh, you’ll refer to Mr. Ramsay. Mr. Ramsay.

**HON. DAVID RAMSAY:** Thank you, Madam Chair. If the Member could repeat the question for me, please.

**MR. BOUCHARD:** I was just asking about the procurement of the work and how the government expects to maximize northern content and northern employment. We’re talking about this as an economic development driver. How is the department expecting to maximize the fact that the Northwest Territories is going to see the full impact of this $299 million project?

**HON. DAVID RAMSAY:** Madam Chair, that would be in how we procure the services to build the highway. There are companies located in the Beaufort-Delta that could carry out the work. Our government’s perspective on this has and will continue to be that opportunities have to be maximized, not only in the territory but in the region itself. In procuring the project, we will make every effort to ensure that as much of that $299 million stays here in the Northwest Territories, and specifically in the Beaufort-Delta. Thank you.

**MR. BOUCHARD:** As I indicated earlier, I think the $5 million we’re approving here is one piece of the large puzzle, and I think we’ll be seeing further supplements here quickly. Basically to the point of committing to the project, I think this is a tough decision for a lot of the Members here to decide what we want to do with this money and whether we support this project. For me personally, it’s been a challenge back and forth. I know it’s large infrastructure money, and it’s hard not to look at last projects such as the Deh Cho Bridge and the overruns there. The Deh Cho Bridge had a revenue stream to it, but this one has a revenue stream and the federal government sponsoring basically two-thirds of it, from what the numbers are indicating.

I see the benefit to the area, the economic development driver, and I’m supportive of that. I guess from my community, we’re interested. We were always interested in seeing expansion of the Mackenzie Valley Highway basically from the south, maybe Norman Wells where there’s a lot of activity where we’re seeing the benefits. But I understand the federal government’s committed right now to the north end and their nation building and us building a territory that’s going to have a road all the way to Tuktoyaktuk, to the other ocean.

So I’m supportive of this $5 million, and I’m supportive of the entire project. It’s been an ongoing debate and discussion in our community. We’ve had discussions whether we support the project or not, and I think we need to look at all the options. The federal government increased their borrowing limit; they made it accessible for us to do this. So I am giving my support to this project, I guess.

I know there are lots of questions and lots of concerns from different Members, and I think we need to challenge the Cabinet and the Premier to make sure certain things are being done, that this is not just being an open chequebook to build the road and do a whole bunch of cost overruns. I think we need to make sure that we stay on budget and we make sure the road is built to a good standard.

I know there are all kinds of questions out there, and there are questions and concerns whether we have a complete design or not. But some of these projects are hard to do unless you start going into them. I’m hoping that things will get done more efficiently, and I hope the number for one rare reason would be under budget, which I know the government definitely doesn’t have a good track record of keeping projects under budget.

That being said, I think the area needs our support, and I think it is building a nation, building a territory, and I think it’s the first leg in building the Mackenzie Valley Highway. We look forward to probably the south end. My colleague to my right here from the Sahtu and I would like to see that come to fruition in our terms of offices here, at least to have something to move the project forward.

That being said, I just wanted to lend my support to the project at this time. I know there are lots of questions out there, and we’ll have to deal with those questions and those concerns as we move forward. Thank you, Mr. Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Bouchard. Anything in response? Okay, nothing. That was a comment more than anything else. Thank you, Mr. Bouchard. We are still on page 5 of the 2012-2013 Supplementary Appropriation (Infrastructure Expenditures) No. 3. Next I have Ms. Bisaro.

**MS. BISARO:** Thanks, Madam Chair. I have specific concerns about the only one project on this page, and that’s the Tuk-Inuvik highway. I think certainly Members and the Regular Members, through our discussions, know that I have a lot of concerns with this project. But I’ll ask a couple of questions here and perhaps give my editorial later on.

I heard the Minister say a little bit earlier in response to another Member that, I think the question was, when is enough enough? The Minister said enough is enough when we’re opening the road. I thought to myself, that’s all well and good, but at what price? Where is the Minister and this government willing to sign off on this project? We’re, at the moment, hoping it’s going to be $299 million plus what we’ve spent already. So that puts us up around $312 million or so, plus maybe $30 million in unknown risks. So we’re up around $350 million, give or take. So should we encounter other difficulties along the way, at what point does this government think enough is enough? Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you. It’s a hypothetical question, but I’m going to ask Mr. Miltenberger to respond.

**HON. MICHAEL MILTENBERGER:** Thank you, Madam Chair. It is truly a hypothetical question. The fact of what we know is we have $299 million: $200 million just confirmed from the federal government and $99 million out of our own pockets. We have some costs already of $12 million.

We’ve given every commitment we can possibly give at this juncture about managing the project. We have a contingency fund. We’re going to do all the work up front to be ready for construction this coming fall. So it’s on that basis that we’re proceeding. Otherwise, if we took the approach suggested by the Member, we could potentially paralyze ourselves as a government on just about everything, all the potential what-ifs if everything goes bad and nothing works.

So we’re proceeding on the $299 million, and we’re going to have every confidence. The Minister of Transportation has articulated that repeatedly, that we will do this and we’ll do it right and we’ll do it on budget. Thank you.

**MS. BISARO:** Does the Minister want to guarantee that, on budget? Rhetorical question. Thanks.

So one of the other statements that was made, by either the Minister or the deputy minister, was that geotechnicals will be finalized in the coming months and that’s one of the unknowns for me, and I think it’s one of the unknowns at the moment for the department and for the project. So I haven’t heard it said, in terms of geotechnical, there are concerns from certain Members that the terrain that we’re working in can be very difficult, we’re dealing with permafrost and I’ve heard it said that we are dealing with a certain section of the road we’re dealing with a glacier. So if we don’t yet know, we haven’t finished the geotechnical, how can we be as certain as we are about the cost of the project? Thank you.

**HON. MICHAEL MILTENBERGER:** Thank you. There are no glaciers up there that I’m aware of. The reason we know what we do is because we’ve taken the time and we’ve spent some good, wisely invested money up front to do the estimating. We’ve started way back, many years ago, with a very rough estimate, and we’ve finalized it and fine-tuned it to the point where we came forward with confidence that we could do it for $299 million. So we spent $12 million getting ready to make that determination.

**MS. BISARO:** Thanks to the Minister. So, I mean, we’re working on a best guess, and I guess that with any project we’re working on a best guess, but it doesn’t give me much comfort at this point, unfortunately. It’s been mentioned several times already that we have been given, so to speak, $200 million from the federal government, and that’s a huge amount of money. I certainly appreciate the commitment of the federal government to the project. However, it’s my belief, and I believe it’s practiced elsewhere, that new roads are 100 percent paid for by the federal government and we are now getting 67 percent, approximately, of our project covered by the federal government. I’m having a very difficult time with the reduction. We were talking about a 75/25 split. I was relatively okay with a 75/25 split, but now we’re down to 67 percent and that just means that’s a greater burden on us, as a government, and it concerns me a great deal. It concerns me on two fronts, one, that we have to put more money in of our own and secondly, that the federal government, in my mind, is backing away even further from their responsibility to pay for new roads across our land.

So I’d like to know, several Members have been talking about investment and that it’s economic development and so on, and it’s been referred to by a couple of people as a long-term investment. I’m having great difficulty understanding and believing, in my heart, that this is a long-term investment. I see the Mackenzie Valley fibre optic link as a long-term investment because it will grow businesses in the Beau-Del, and it will grow businesses and it will grow employment for people up there for a very long time. I see this project as not necessarily growing businesses, but it certainly will employ people, but only for a five-year period. So I don’t see this as a long-term investment. Could the Minister explain to me how this could be characterized as a long-term investment project? Thank you.

**HON. MICHAEL MILTENBERGER:** Thank you. We make long-term investments in the territory, that’s what we do as a government. Seventeen Assemblies have been working, Assembly after Assembly, to put infrastructure in the ground, on the ground that improves the quality of life that helps build the territory that we all agreed is part of our vision. Part of that critical infrastructure is roads. A road, the northernmost section of the Mackenzie Highway has been a critical part of the northern dream for longer than I can remember. So if the Member is asking if we look around the North for every dollar we spend, where do we get our money back, where is the economic return on our investment, then we would have a very interesting, challenging discussion, because we make political decisions in our political self-interests that may not have that immediate return on the dollar. But if you look, over time, the value of a road that opens up the northernmost part of the territory, I believe the Member’s comments are prefaced on the assumption that somehow there will never be any further activity up in the Mackenzie Delta, the Beaufort-Delta, when we know it’s sitting on a storehouse of resources. What we invest today, I believe, over time, will prove its value the same as the bridge will. There’s no longer people complaining about the bridge, except maybe politically about the process, but nobody talks about gosh, I really miss the days of the ferry and the winter road and all the uncertainty and not being able to travel 24/7 and, man, those were the good old days that I really long for.

So this is, I think, a territory-building, nation-building investment. It is going to have economic impact far beyond the term of this Assembly. Thank you.

**MS. BISARO:** Thanks. Just one last question. How many people are required to construct this road? How many PYs are going to employed over this five-year project? Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Ms. Bisaro. Mr. Neudorf.

**MR. NEUDORF:** Thank you, Madam Chair. The exact approach to construction is still not yet determined, but our initial estimates show that it could be up to 400 workers during each of the five construction seasons. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you. I just want to say that next on my list I have Mr. Blake and Mr. Moses, and then I’m going to return to Mr. Bromley. I’m just giving everybody a chance to make their comments and I’ll return to Mr. Bromley. So, next I have Mr. Blake.

**MR. BLAKE:** Thank you, Madam Chair. As to the $5 million, I am in support of that. It seems that we’ve actually gone beyond the $5 million and started talking about the total project, so I guess I’ll follow the same lines. I’d like to ask the Minister how many projects similar to the Inuvik-Tuk highway – people are referencing the Deh Cho Bridge, whether it’s realignment of Highway No. 3, the Ingraham Trail – has the federal government committed to an investment as a percentage as we did on the Inuvik-Tuk highway? Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Blake. Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you. Madam Chair. We’ve had, over the years, federal investments through the Build Canada funding, if that’s what the Member is referring to, where we’ve taken full advantage of the cost-shared dollars. As a very specific example, there are no really large projects that come to mind, but with all the projects, we literally put… No, actually, over three years we’ve put a billion dollars of infrastructure in the last government on the ground, combined with our dollars and the federal dollars taking full advantage of all those dollars as we were fighting off the impacts of the huge economic downturn in 2008. Thank you.

**MR. BLAKE:** Thank you. My next question is, as everyone is well aware, we have an employment rate of 35 percent. So we have 65 percent of unemployment in our communities. How will this project impact the unemployment rate in our small communities? Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Blake. Mr. Ramsay.

**HON. DAVID RAMSAY:** Thank you, Madam Chair. It will have an immediate impact on the unemployment levels in the whole region, not just in Tuktoyaktuk and Inuvik, but the surrounding communities. I imagine there will be a workforce drawn from those communities as well. I imagine we’ll have an immediate impact on the unemployment levels in the communities in the Beaufort-Delta.

**MR. BLAKE:**  My final question is coming to training. How soon can we see the training begin in the communities of the Beaufort-Delta? Also, a few years back when industry was in Inuvik, they did a lot of training over the summer. They actual speeded things up in instances where we had young people there without a licence. Within two to three weeks, they had their actual Class 1 licence, and I’ve seen them move on to become a lot of good equipment operators. Whether it’s the Minister of Transportation or the Minister of Education, Culture and Employment, will he commit to offering those same types of training immediately?

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Blake, for that question. I just want to get the committee’s concurrence here because I know what Mr. Blake said, that we’ve gone from the $5 million on this page to really debating the whole Inuvik-Tuk highway. Mr. Blake has indicated he’s just following suit because other people have decided that this is the go/no-go, this is the lynch pin on this project, so this is the appropriate place to have this discussion. I just want to get committee’s concurrence that everybody is still cool with this. It’s not specifically related to the $5 million, the questions. Mr. Miltenberger.

**HON. MICHAEL MILTENBERGER:** Am I cool with it?

---Laughter

I had an intense flashback when you said that. When this supplementary appropriation gets, hopefully, the approval of this Assembly, then it will trigger a whole host of processes that will address the issues by the Member to make sure that we start tooling up, that this project brings good fortune to all parts of the Beaufort-Delta. It raises everybody’s boats. We want to make sure we have maximum employment. We want to make sure we use all the local businesses that we can locally, and that commitment is given. Once we get the thumbs up and we know we’re in business, that process will be triggered.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Miltenberger. Mr. Blake.

**MR. BLAKE:**  No further questions.

**CHAIRPERSON (Mrs. Groenewegen):** I’m sorry. I hope my comments didn’t discourage you from continuing. I have Mr. Moses next.

**MR. MOSES:** Thank you, Madam Chair. I just wanted to clarify on a couple of things with the $5 million here because there have been some discussions, and you mentioned it quite well there, in terms of this having become more of a discussion of more than the $5 million and the project itself. I have heard some comments as we’re trying to move forward on a best guess as well as some assumptions on the project and cost overruns. I just wanted to confirm with the Minister today, I know that we did go out for some other cost estimates.

Can the Minister maybe just elaborate on how many cost estimates did we go out for and the expertise of advice that we did get from these contractors doing the cost estimates, to bring the number before committee and before the House today to make the decision on and that it’s more than just the best guess or assumption in terms of the cost of this project? Can he just elaborate and confirm for Members here today that it’s a sound number, that they in fact went to the Prime Minister with today, just so that Members know that it was expertise that went and got these cost estimates?

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Moses. Mr. Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Madam Chair. This project has a long history and some of the initial numbers were very basic estimates. Over time we’ve used two separate consultants as well as the expertise within the Department of Transportation to refine the estimate to the point where it is today. Part of the upfront sunk costs that we talked about, the millions that we put into it, was to do that so that we could make the most informed decision possible. So we’ve had two consulting firms and the Department of Transportation separately looking at this to help us refine the numbers.

**MR. MOSES:** Thanks for the clarification, confirmation. I think that maybe some Members were taken aback and thinking that was possibly a best guess in terms of the cost of the project here.

Moving forward with the $5 million, can the Minister confirm whether that $5 million is on top of the $299 million or is it part of the $299 million and that’s where he’s coming from, so that when Members are speaking of cost overruns they have a clear understanding that this $5 million is either part of the $299 million or not part of the $299 million.

**HON. MICHAEL MILTENBERGER:** It is part of the $299 million.

**MR. MOSES:** More just clarification of a couple of items here in terms of moving forward specifically on this one page for the $5 million, and moving forward with the geotechnical work and some of the other preparatory work to start moving on this project here. I just want to get a little bit of clarification and let all Members kind of understand what this $5 million was for and where it’s coming from. Just more of a comment there and just for clarity and for the confirmation.

**HON. MICHAEL MILTENBERGER:** The two basic areas are going to be to prove up the gravel sources from probable to proven, and the other big piece is to conclude the geotechnical work that needs to be done so that we can move the design from the 85 percent complete to the 100 percent complete in time for construction this coming fall.

**MR. MOSES:** No further questions.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Moses. Just before I go back to Mr. Blake, speaking of who is cool and who isn’t cool, I will recognize my husband in the gallery here today.

---Applause

He’s cool. Next I’ll have Mr. Bromley.

**MR. BROMLEY:** Thank you, Madam Chair. I want to follow up on a few of the comments and questions we’ve heard here. The first is the assumption that had been made. I don’t think many assumptions are being made, but we do have a number of risks out there, and the assumption is that some of them will prove to be real.

I’d just like to know, in the number of projects that the Minister is familiar with of this nature – and I know, as the Minister said, we’ve never done a project of this magnitude – but where we have an 85 percent design going into it, how many of them has he known the cost to go down on?

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Bromley. Mr. Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Madam Chair. What I have learned is, when I’m given two figures, a high one and a low one, especially as Finance Minister, I tend to immediately focus on the high number, knowing that in my experience the low number never tends to be the one where the project ends up.

**MR. BROMLEY:** Undoubtedly the reason this Minister is such a great Finance Minister. The federal government has committed 60 percent of the project, 67 percent, $200 million. Obviously that’s not full cost. In fact, the federal government has said explicitly that anything beyond this must fully be paid for by GNWT. Am I correct in assuming that if we are $40 million or $50 million or $100 million over, that would be fully the responsibility of the GNWT?

**HON. MICHAEL MILTENBERGER:** The $200 million contribution by the federal government is their final contribution to this project. It will be up to us to manage the project successfully with our investment to hit the $299 million.

**MR. BROMLEY:** We know that the Minister of Transportation has said this project would not proceed if there was anything less than 75 percent. Where does that put us?

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Bromley. Mr. Ramsay.

**HON. DAVID RAMSAY:** Thank you, Madam Chair. The fact is that we have the additional $50 million which puts their contribution to $200 million. It isn’t quite 75 percent as we had expected. It’s 67 percent. At the end of the day, the Members of this House will decide whether or not the project is to proceed. That is where that is at.

**MR. BROMLEY:** I suspect we can conclude a little more than that, but I’ll leave it at that. I would say, also, that clearly is not 67 percent. It’s $200 million. In fact, as the costs go up, the proportion paid for by the Government of Canada goes down, despite the fact that the Minister indicated that the project would not proceed unless it was 75 percent. That’s an observation, but a concerning one. Is there not a policy, could I ask the Minister of Finance, that we’ve generally adhered to in the past where the Government of Canada in fact pays for the road building and GNWT pays and looks after maintenance of them?

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Bromley. Mr. Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Madam Chair. There is no policy. In the days of yore when the federal government was the major player on the scene, of course they had much greater responsibility. There is no formal policy that dictates the federal government has some type of responsibility to cover 100 percent of new roads.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Miltenberger. I haven’t heard that saying in a while, in the days of yore. Mr. Bromley.

**MR. BROMLEY:** Thank you, Madam Chair. I believe that’s true. It was a policy in the days of yore. It certainly is not any longer. What concerns me is, as time goes by, the proportion being paid for by the federal government declines steadily. Of course, this is all within context. I’m not just complaining about the cost of the road or anything. This is within the context of the other priorities that we have and the infrastructure deficit that we’re building as we choose to pour it all into this one project.

The Minister has noted that he thinks we can afford this. We are making decisions for the 17th Assembly. Unfortunately, we are also making decisions for the 18th Assembly here, just as the 16th Assembly pushed us into increased debt, albeit with a little bit of a raised debt limit for the 17th Assembly. This is an uncomfortable trend to see. I again just don’t generally support that approach of this Minister of Finance who has been common to the two.

I just want to comment, too, on the geotech work. I understand it is to focus on the cost of the bridges as well as the proving up, hopefully once and for all, the gravel resources. How many bridges and water crossings are we talking about?

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Bromley. Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** First let me just make a quick comment, if I may, in response to the comments about the fiscal and financial health of the Government of the Northwest Territories.

We’re one of the best run jurisdictions in the country, top three. We have an Aa1 credit rating. We have one of the best debt-to-GDP ratios, revenue-to-interest ratios in the country. We are pushing ourselves fiscally because we have a lot of things to do as a territory and we’re not prepared to sit back and be overly cautious. We’re careful and prudent, but we know we have to do things. As a government, we are managing ourselves, which is why we have an $800 million borrowing limit. We have an annual GDP of over $4 billion a year, almost $5 billion.

For the Member to say that we’re not well managed financially by this Legislature and by the government is inaccurate, and I will assume that his comment about what a good Finance Minister I was previously was, the sincerity metre didn’t register very highly. So I won’t take that as something that I’d feel all warm and fuzzy about. I’ll ask Mr. Neudorf if he would speak specifically to the number of bridges and crossings.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Minister Miltenberger. Mr. Neudorf.

**MR. NEUDORF:** Thank you, Madam Chair. The work we’ve done to date indicates that there would be up to 63 stream/river crossings of the highway. The majority of those would be through culverts, so 53 of the 63 would be a culvert, you know, a metre and a half all the way up to five-metre diameter culverts. That would leave about 10 bridges, and again, eight of those short-span, one long-span, and then the most significant would be a crossing of Hans Creek, about a 100-metre-long bridge.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Neudorf. Mr. Bromley.

**MR. BROMLEY:** Obviously, for a project of this magnitude, significant work has to be done there. Just in response to the Minister’s response, I didn’t say it was bad. I said the trend of increasing debt is not something I’m happy with. The decisions that are being made that end up with that result.

I’d like to comment a little bit on the dreams, you know, that we want to be doing things. In fact, that’s probably the biggest source of my concerns, is that I am totally convinced we could be doing things, and I’m totally convinced we have the capacity within our people and the resources to do them. I’m wondering, what have we looked at in terms of real economic development, development to develop the economy in this region, which I’d dearly love to see, that generates lasting jobs rather than, according to the government, 42 long-term jobs over 45 years and the loss of thousands of person years in relation to oil and gas development. What work have we done to actually develop the economy in these regions? This area, which is a fantastic area in terms of its people – it’s spectacular – its potential in many ways. What have we done to shift away from these large, costly megaprojects and actually do things that really do help the people and provide the long-term, sort of, economic development that we’d like to see?

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Bromley. Now we are really straying even from talking specifically about this highway. I’ll let the Minister respond, though.

**HON. MICHAEL MILTENBERGER:** Madam Chair, once again, the debate by Members that live in the regions where they have just about all their infrastructure needs met and asking people in the northern part of the territory and the Beaufort-Delta, why do you need a road, it’s a sinkhole, it’s not worth investing up there. That, as Northerners, somehow we do not consider you worthy putting in things that we take for granted, the road, the bridge, the Ingraham Trail, the bypass road. That type of infrastructure which we take for granted here somehow becomes a megaproject that’s not economically viable in the northern part of the Territories. It is something I can’t get my mind around to accept as a valid issue.

We are going to spend about $60 million to $80 million. Let’s talk about the fibre optic line. It’s going to make Inuvik one of two places in the world that’s going to do remote sensing, that we know in Kiruna, Sweden, it’s built up an industry in Kiruna worth about $100 million to $150 million a year. We are working on a joint venture structure with the Aboriginal governments. That project is underway and will be well along construction in the life of this Assembly. We’re going to continue to do all the other work that we do supporting local business. We will see what happens with the resource sector. There are plenty of other opportunities in the region but they need infrastructure, which gets us back to roads.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Minister Miltenberger. Next I have Mr. Dolynny.

**MR. DOLYNNY:** Thank you, Madam Chair. Again, since we’ve opened up this debate beyond the $5 million, I’m going to spearhead my conversation on that premise as well.

I’ve got to give a lot of credit to IRC and the people of Beaufort-Delta for putting on a very good program bringing this project to light. They were very well organized, and I believe that they deserve a lot of credit for bringing it forward. Where I find a problem is I don’t think our government was in line with the project. By that I mean the fact that we’ve asked and always asked from a Minister, whether it’s the Minister of Finance, the Minister of Transportation, to be totally upfront about this project right from the get-go. Show us the numbers. Show us the math. Show us the risk. Not only us, but show the public that information, as well, so that we can make an informed decision when the time comes.

I’m going to read you a passage very quickly here from March 5, 2013, from Minister Ramsay, and it says: “It is this Assembly that is going to ultimately make the decision on whether the project moves forward or not. All this information is going to be made available to both Members and the public.”

Members have received information, but what made it very difficult was we were hampered, we were put on gag order that we couldn’t share this information, not even on the floor of the House. We couldn’t even go outside the floor of the House to talk about this project, and it’s a great project. As I said, a lot of hard work has gone on behind the scenes and I pass a lot of credit for all the people behind the scenes in making this happen.

It comes down to a couple of areas, and we talked a bit about the math that we had before us. Again, depending how you look at it, if my calculations are accurate, we’re on the hook for $99 million, but we’ve already put $12 million, so we’re in it for $111 million. If you put that in the premise of the big picture, that’s 35.7 percent, and the feds are in it for 64.3 percent. Those are hard numbers. We can dispute it as much as we want, but we’re not at 75/25, that’s for sure. And you know what? That’s the numbers. And I can go forward with that, as long as we know that there are numbers out there and that the public hears those numbers.

The other part of this exercise is the fact that the public has not seen the risk of this project, and I want to take a minute here to talk about that. I brought this up in the Committee of the Whole deliberation last week, and I told the Minister of Transportation of the day, if I had to pull up, and I did pull up in front of him the Department of Transportation website. The last information that was given to the public that was published on their website was May of 2011. That’s 22 months old. Since that time, since last week the Department of Transportation added the EIRB final report, which it says January 2013, but that was just added there. The public has not seen anything for 22 months.

Now, there may have been discussion in here, and there have been reports in the media, but this is the Department of Transportation telling the public what’s going on in this project, and I scathed the department and the government here for not sharing when they could have been sharing all along. Now we’re faced with a dilemma of having to authorize $5 million, and on top of that, I’m sure we’re going to be talking some other contributions of a significant capacity later on today, and the public still does not know the risk.

My first questions are about the risk. Can the department indicate to me what are the major risks? Again, in terms of categories of risk, I’ve talked about a risk matrix. I can’t talk about a document that’s not tabled. What I’m going to talk about is the document that I have in front of me here, which makes it very difficult, but I’m going to do that. There are risks to this project, and I think people need to know what those risks are. My question to the Minister here is: How many of those are considered very high risks? How many high risks do we have in this project? Of the total risks that were assigned to this project, how many are of very high risk?

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Dolynny. Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Madam Chair. First, if I may, before I turn it over to Mr. Neudorf, the EIRB website contains all the information that the Member said was lacking from the Transportation website. The Transportation website had a link to the EIRB. We made a commitment to providing a plain language summary of the risk matrix. We’ve done that. We were asked a couple of hours ago. We’ve had staff working hard to get that done. That will be tabled tomorrow. The committee has it before them in committee so we could have this fulsome discussion. In regard to the amount of high risk issues, I’ll ask Mr. Neudorf to respond.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Minister Miltenberger. Mr. Neudorf.

**MR. NEUDORF:** Thank you, Madam Chair. As the Minister had indicated, we have had a risk matrix and we’ve had it for a while. It is a living document, one that we will be reviewing very regularly and updating it as additional information comes in and as the project moves forward. There are 40-some different risk categories that are looked at in the matrix and a number of them are high risk. We look at both the impact of that and then the level of the risk, so how likely it is to occur, and if it does occur, what’s the potential impact. You put those two numbers together and we come up with an evaluation to determine what might be high risk. Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Neudorf. Mr. Dolynny.

**MR. DOLYNNY:** Thank you, Madam Chair. We seem to be speaking in general terms here and I guess I’ll ask a question. If there were 41 risks out there in this project, and there were 18 of those risks that were deemed extremely high, is that a concern for a department if that is indeed a hypothetical ratio? Would 18 out of 41 be considered a problematic ratio moving forward? Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Dolynny. Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Madam Chair. This is a complex, large-scale project over very challenging terrain. There are a lot of risks and we’re concerned about all of them. Our job is to identify them, mitigate them, manage our way through them, and take all the steps necessary in getting the project done within budget to be aware of what those risks are so that we can move forward in a careful, planned way. I’ll ask the deputy if he wants to add anything further.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Miltenberger. Mr. Neudorf, I didn’t get if you wanted to add anything. Okay, thank you. Mr. Dolynny, please.

**MR. DOLYNNY:** Thank you, Madam Chair. I guess to put this on a comparison level of large-scale projects that we do know of, and this goes back to the Auditor General of Canada who did an evaluation of the Deh Cho Bridge and indicated that there were some serious gaps in the risk matrix of that project. So I’m using that as a comparable tool. Is 43 percent of high risk moving forward on the project deemed a concern for the department to move forward with? Is that a reasonable question?

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Dolynny. Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Madam Chair. There is no set ratio. What is set is that there’s a project that we’re proposing to build from Tuk to Inuvik over challenging terrain. As we go forward, we identify the risks and we mitigate them. The $299 million and the contingency have given us room to capture that and, we believe, allow us to proceed with the project and bring it in on budget. Thank you.

**MR. DOLYNNY:** Well, I guess we didn’t get a response to that. I guess we’ll ask that question once – if I’m hearing correctly – this information is tabled. Unfortunately, this information is going to be tabled after the requirement of a decision to be made on the floor of the House before then. It’s very, very unfortunate.

I’m going to use the last remaining of my time to once again indicate my dismay and my dissatisfaction of, being a Member of this committee, not being able to have this information tabled well in advance. This information could have been available to public. It could have been available to Members to be able to discuss this with constituents, with elected officials, and with First Nations governments and with many different stakeholders. Unfortunately, this information was only privy to the hands of Members. Whenever information was brought forward to the House, it was deemed confidential or deemed hypothetical in nature. I just don’t understand, given the fact that we had a golden opportunity to be transparent, to be upfront and to be forward-minded with a project of this magnitude, why this government, why this department, why also the Department of Finance chose not to be forthcoming on this project with the numbers. It would have saved a lot of time, energy and concern on behalf of Members. Thank you, Madam Chair. I appreciate allowing the last few seconds as a comment. Thank you very much.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Dolynny. Next on my list I have Mr. Bromley.

**MR. BROMLEY:** Thank you, Madam Chair. I just want to pick up where I left off there. The Minister was claiming that I said the people of this region were not worthy, and various other twists to my words. I thought I remembered saying the people were spectacular and the region was spectacular, and they have huge capacity up there if they are involved in real economic development. It does seem to be a feature of this government that they often twist words and make our comments sound as if we have no trust in our people and stuff like this, but I do want to point that out, that in fact I was saying that the people were indeed worthy, and worthy of better than a road like this. That is just an aside there.

The maintenance costs are something again that has been a concern. We have got some information on that, but there didn’t seem to be understanding that, in fact, the road, especially in the more northerly portions, does go over a zone of remnant glacial ice. I believe that was what my colleague Ms. Bisaro was referring to. This is the remnant Wisconsin Glacier. I believe the department officials certainly know that this is the case.

Another high risk factor, of course, is this is the zone where the greatest impacts from climate change are known to be occurring. The rate is very fast and the degree of warming is extreme. To what degree, I guess recognizing and combining these factors, the fact that this area over which the road is being built has not just got permafrost, it has substantial ice lenses that are more than ice lenses, they are remnant chunks, vast chunks of Wisconsin Glacier in combination with the degree of warming in the order of 15 degrees that can be expected, Celsius, in our winters. Can the Minister comment on that aspect of it? Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Bromley. I’m going to let the Minister think about his answer to that question while we take a break for supper. Thank you.

---SHORT RECESS

**CHAIRMAN (Mr. Dolynny):** Welcome back, committee. I will call committee back to order. We’re on page 5 of Supplementary Appropriation, No. 3. Continuing on with questions I have Mr. Bromley. Mr. Bromley, I will give you the full 10 minutes here.

**MR. BROMLEY:** Thank you, Mr. Chairman. I had posed a question, if you will recall, to the Minister. Would you like me to repeat that question?

**CHAIRMAN (Mr. Dolynny):** We’ll ask the Minister first if he’s prepared to answer it. If not, we’ll get you to repeat or rephrase it. Mr. Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Chairman. If I could get the indulgence of the Member to repeat it, please.

**CHAIRMAN (Mr. Dolynny):** Duly noted. Mr. Bromley.

**MR. BROMLEY:** Thank you, Mr. Chairman. I did think the instructions of the Chair were for the Minister to take a break to prepare an answer. Just kidding, Mr. Chairman.

I think the Minister, first of all, didn’t respond to my colleague Ms. Bisaro accurately when she asked about the glacier ice on the road, and I think he now understands that, in fact, there is remnant Wisconsin Glacier ice in the northerly parts of the route proposed for this highway. Obviously, we know from our experience with highways throughout the Northwest Territories that this translates to dollars, especially when we’re talking maintenance of highways.

Of the many high-risk factors that have been identified – and I think I’ve heard of about 18 or something like that – climate change has been identified as one of them, which makes sense because this highway goes through the zone of the biggest climate impact and the impact is warming, which, when warming interacts with those large parts of remnant glacier ice, we’re talking about very, very serious costs.

I know the Minister is familiar with the situation with climate change. In fact, it’s getting considerably worse and more dire as the months now go by. The literature is clear. In fact, we’re now learning that the polar ice cap is starting to break up right here during the month of March, months before normal. This year, for the first time ever. Very scary business for scientists that know about these things; apparently not to the public or this government.

My question was, given these juxtaposition of serious factors here with great amounts of glacier ice, a great degree of climate warming predicted, what are the consequences and how can we address this risk without affecting the cost of the highway?

**CHAIRMAN (Mr. Dolynny):** Thank you, Mr. Bromley. We’ll go to Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Chairman. The Member, at one point, asked as well about the economic benefit of the road. The $2 million a year maintenance budget could be seen as it will employ local people and local contractors, so that will be one of the ongoing benefits.

In regard to how do we mitigate the impact of going over these areas where there are remnants of glacial ice and ice lenses, I’ll ask Mr. Neudorf to respond.

**CHAIRMAN (Mr. Dolynny):** Thank you, Minister Miltenberger. Mr. Neudorf.

**MR. NEUDORF:** Thank you, Mr. Chair. The presence of permafrost is one of the significant issues that have to be dealt with in the design, and we have done much work on that already. When we go from 85 percent to the 100 percent final design, we will continue to look at that. There are about 12 kilometres of the total 137 kilometres that, based on the initial terrain analysis, will be more problematic, so we will have to be more careful in the design and in the construction approach to ensure the protection of the permafrost underneath that area.

We will be doing some additional drilling and geotechnical work in those areas. That will be then kicked into our next design stage and we will ensure there’s appropriate design for protecting the permafrost. The road itself, we have to maintain a certain amount of fill in order to protect the permafrost underneath. That is the way that you do that, so there’s no cutting, there’s no digging in as part of the road construction at all. It’s just a fill and hauling material in and filling over top of the tundra.

Just a final point on permafrost, this is an area where the permafrost is colder. In southern portions when you get into more discontinuous and if you have a few degrees of warming, it does tend to affect the permafrost more than in the northern climates where the permafrost is generally a little bit colder, so it can withstand a little bit of the changes from climate.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mr. Neudorf. Mr. Bromley.

**MR. BROMLEY:** Of course, warming is also double the rate in this area compared to down south, and so we will be seeing impacts of that that are not on the road itself but that will connect to the road in an insidious way, and so there will be costs from that. But I am learning that so now the work to be done is not just the 50 bridges and so on, or 60 river crossings and 10 bridges, but it’s also to deal with this highly problematic 12 kilometres, and we have not designed the highway yet on how to deal with that 12 kilometres. Have I got that correct?

**MR. NEUDORF:** The exact details of how we will construct the road and finalize the design over the top of those 12 kilometres are still to be determined. We have built in some assumptions about what we’re going to do about that. Additional fill or insulation are two of the most common ways to mitigate, so there is an allowance for those. But we do, as part of the detailed design, need to confirm exactly the conditions and then we will finalize the design.

**MR. BROMLEY:** I appreciate that additional information. This is a zone of a lot of thaw slumping. Is this area flat? Is it, fortunately, flat, or is it a bit rough that we’re going through and what’s the susceptibility to the thaw slumping?

**MR. NEUDORF:**  That is one of the issues that our engineers have been looking at, and our terrain experts. There are a number of these thaw slumps that are occurring in the region and we will ensure that our design takes that into account to avoid those areas where that is happening. Thank you, Mr. Chair.

**MR. BROMLEY:** Thank you. I hope that works out. As I understand it, these are fairly dramatic in terms of the size and implication. The wiping out a road is a small thing in an event such as this. Obviously, there is a concern there, but it sounds like the department is aware of that and working on that.

The Minister mentioned $2 million for maintenance, and that remains to be seen – again it’s an estimate – and that there will be hiring as a result of that. He used that to justify the economic development aspects of the road. That’s a very strange statement to me. We can hire people without having a road there if we just want to pour government dollars into hiring people. I thought we were talking about real economic development.

I appreciated the Chair allowing me earlier, after letting the Minister wax loquacious several times about his dreams about this project for as long as he can remember, and I appreciated the Chair allowing me to question in that regard. I’d like to ask one more, with the Chair’s permission. Have we considered, in terms of economic development that would actually address the cost of living and many other broad government goals, self-reliance and so on of our communities, a way to engage their real skills other than grading and digging? Have we considered working to make these two communities the first totally renewable energy communities in North America with less of an investment but much greater provision of very long-term and meaningful jobs that would allow skill development and engagement of our population up there? Thank you.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mr. Bromley. I will hope to keep that door open for you. Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Chair. We’re doing work across the Northwest Territories as it pertains to renewable energy. In the Beaufort-Delta, we’re looking at helping Inuvik deal with their gas situation, and one of the more immediate focuses is on the potential of liquid natural gas. At the same time, we are still examining the opportunities that exist at Storm Hills between Inuvik and Tuk as it pertains to some options and potential for some world-class wind development there. Those are two areas that we’re looking at, where you would be able to run lines to Tuk once the road is in. The other thing about the road is, once the road is in, we’ll be able to put the fibre optic line down as well. The road would also make access and maintenance of the Storm Hills wind site much easier as well. Thank you.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mr. Miltenberger. Mr. Bromley, your time is up. If you need some more, just let me know. Moving along with questions I have the Member for Hay River South, Mrs. Groenewegen.

**MRS. GROENEWEGEN:** Thank you, Mr. Chairman. I guess I’ve already stood in this House at least on one occasion and shared some of my concerns about this project and those concerns still exist. I am concerned about the capability of our government to oversee this project and bring it in on budget. When I referenced the Highway No. 3 from the Rae turnoff into Yellowknife and the fact that we constructed that road right in the Canadian Shield with unlimited access to rock to blast and crush, and we couldn’t put down a roadbed adequate to not have the disaster that we see out there today. I expressed my concern with this size of a capital investment for a road to a small community and all the other pressing demands for capital investment throughout the territory. Let’s face it, when we spend money as a government on a scale like this, we buy this and we don’t buy something else or we don’t invest in something else. So I had expressed that concern as well.

I talked about the cost-benefit analysis. What are the benefits of this road? Some concern, as well, expressed by my colleague Mr. Bromley about the geotechnical and the ground conditions there that may haunt us in the future in terms of maintaining this road. I think I referenced the fact that I saw a photograph of our Transportation Minister and the Member for Nahendeh on a road trip on Highway No. 7 with, I don’t know who was standing in the hole, but you could hardly see them. That was where the road had just disappeared.

So I look at our existing road infrastructure, and I see the many challenges of systems like Highway No. 7, like the Dempster Highway, where we do not seem, as a government, to be able to afford to properly maintain the upkeep of the infrastructure we’ve got, yet we’d like to add some more in a remote region with difficult conditions to an extremely small community. I think that kind of recaps some of the comments and questions that I had before. However, it’s very hard to turn down that $200 million.

I am very empathetic with the economy in the Inuvik region, in the Beau-Del area there. In Hay River, you would think, for all the infrastructure we have, there that we would not be suffering an economic slump. In fact, we have been for some time too. So I very much empathize with the desire of the people from that region to see some kind of a development that would bring some GNWT dollars into there and create some employment, even if it isn’t necessarily going to be extremely long term.

So I have concerns. But as my colleague from Hay River North said when we built the Deh Cho Bridge, the cost overruns on that and just the whole process will be a very unhappy memory in my political life being involved in that. But we do have the ongoing tolls to offset that investment. In this case, we don’t have an ongoing revenue stream but we have this $200 million on the table from the federal government, which is a huge incentive. I mean, let’s face it, that’s a huge incentive to proceed with this.

So in hearing all the pros and cons and ups and downs and, as Mr. Bouchard also said, some discussion about this in Hay River… I must say that when I came back at the beginning of session, I did tell the Transportation Minister and the Premier that with all the activity and all the backup of traffic going into the Sahtu that really our priority should be the Wrigley to Norman Wells highway. But we also have to weigh that with the fact that the federal government has a real desire to see this piece of infrastructure built, and they’re not offering us two-thirds contribution on a road from Wrigley to Norman Wells. Industry may be able to play a bigger part in that than they would in the Inuvik-Tuk highway. So there is that possibility going forward on that stretch of the highway.

We did, as a government, also make a commitment at the time that we went to have our borrowing limit raised from $500 million to $800 million, knowing that this was a high priority of the federal government to see this piece of infrastructure going into place. I believe we certainly made a moral if not legal commitment to the federal government at that time, that pending this increase in our borrowing limit, that we would join together with them to put this piece of infrastructure in place.

So I think that to renege on that now would certainly have implications with respect to our relationship with the federal government, and that’s one that, of course, we always want to try and keep on good terms.

So it has been a lot of back and forth. There’s been a lot soul searching. There’s been a lot of angst over some of the foreseeable challenges. I guess we’re just going to have to take the leap of faith and hope that the department can keep the project on track at a reasonable rate in terms of the costs, and hope that the ongoing operations and maintenance will not only bring some economy to the region but will also be a reasonable cost.

So with that explanation on this particular page for this additional $5 million at this time, I will be supporting it. Thank you.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mrs. Groenewegen. Replies. Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Chair. I appreciate the Member taking the time to summarize her thoughts on this particular matter, and I appreciate her final determination to support the project. Thank you.

**MRS. GROENEWEGEN:** That’s all. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mrs. Groenewegen. Continuing on this page with questions, I have Ms. Bisaro.

**MS. BISARO:** Thank you, Mr. Chairman. I just wanted to provide a bit of an explanation of where I’m coming from with my questions and concerns. I didn’t really go into that fully when I asked questions earlier.

First of all, I’d like to thank Mr. Bromley for bringing up the point that there really is a glacier as part of that road, the Wisconsin Glacier. It is noted in the risk matrix, which the department has recently provided for us. I’d like to also note that the Minister of Finance earlier stated, when he was making some remarks, words to the effect that Members from the south who have everything in the way of infrastructure are against getting the same for those in the Beaufort-Delta area. I was pretty close to being truly offended. That is not my motive. I am quite annoyed that the Minister suggested that is my motive: because I have everything I’m not ready to give something to people who don’t have everything.

The other thing that is really bothering me about this issue is that Members from the north or Members supporting this project seem to think that because I have concerns for this project that I am against them or the project. That again is not true. I do believe in this project, and I do want every region to be prosperous. I don’t wish for people to be living in poverty, for people to be living without jobs, for people to be feeling depressed, and for their whole region to feel down and like they’re never going to get up. I don’t want that.

However, I am quite troubled by the amount of money that we as a government are having to spend on this project. We’ve gone from a promise of 75/25 funding to now where we’ve got in the bag, so to speak, 67/33. That’s more money than what I was hoping we would have to spend. We got less money than what I was hoping for from the federal government.

This is a huge project, and one of my great difficulties in these last few days has been being asked to make a decision on a large amount of money with little opportunity for some concrete information. I know we are given all the information that the department has and the Minister has at this time. That doesn’t give me much comfort when there’s an awful lot of questions that I still have in my mind and there are an awful lot of unknowns and risks.

For me as a Member, I feel that I have to do due diligence. I have to look at any project and any expense that comes before me that I’m asked to approve, and I have to look at it and determine whether or not it’s the best use of our money. People would say, okay, yeah, we’re getting $200 million from the federal government, so that’s a pretty good use of our money. It’s 33-cent dollars is what we’re spending. But I still have to go back to my belief that the federal government should be funding our new highways 100 percent. So in my mind, that’s a loss. I have a really hard time with that.

If I encounter a project that makes me feel uncomfortable, I have to ask questions about it, and I have to question whether or not the project is of value, whether or not we should go forward with the project. That doesn’t mean that I don’t want a particular community or region to get ahead. It just means that I feel we need to seriously question why we’re doing something, where we’re going with it, and is it a good thing to do. That’s what I’m trying to get across. If people are offended by that, well, I’m sorry.

This particular project makes me feel really uncomfortable. There are risks. I know the department has identified those risks. Many of them are quite high risks because we’re building a road in an area where we haven’t really built roads before. It’s an area that is known to be difficult to build in. Those risks that we do not yet know or that we have out there and don’t know how they’re going to play out, they’re uncontrollable. I don’t think there’s anybody in this room that can say we’re going to go to that spot on the road and we’re going to be able to spend $5 million there and not one penny more. When we get down to a certain level, we’ll discover that, well, oh, that’s where there’s a huge ice lens and, oh, geez, it’s going to cost us $7 million instead for that very same spot. We can’t control those risks, and we can’t control certain expenditures that are going to come up. That’s a real concern for me. This is why I am really hesitant about this project.

Because we have unknowns, I feel that we are at the mercy of something that we can’t control. We’re at the mercy of the unknown. I feel that we are, I’m pretty sure, as I think somebody mentioned earlier today, that we’re going to have to have a Minister come back and ask us for more money for this project somewhere down the line. I’m not quite ready to bet money on it yet, but I’m pretty sure it’s going to happen.

One of the things that I have tried to ignore but can’t is my experience with the Deh Cho Bridge. Once bitten twice shy is an expression that really applies to me here. The Deh Cho Bridge experience was painful. I didn’t enjoy it. I felt very conflicted all the way through, constantly being asked to approve more money, more money, more money, and I get a huge sense of foreboding that this project is very similar to the Deh Cho Bridge.

One of the things that have come out is that a couple of Members have said that I am sort of against this project because I am making assumptions. Well, I think assumptions can work in both ways. On the one hand, you can make an assumption that is positive and ignore the fact that there might be some risks involved. Some people are saying, well, you’re making erroneous assumptions and so therefore your point of view or your opinion or decision is flawed. I feel that, on the other hand, we have to make some assumptions because we don’t have all the facts. That goes back to the risks. There are unknowns in this project. Some of us will make an assumption to the positive, and some of us will make an assumption to the negative. Neither is right, neither is wrong.

Probably the biggest unknown for me in a general sense is that the project is only 85 percent designed. I know this money will go towards finishing that design. But again, we’ve got a lot of bridges. We have a lot of water crossings that we don’t yet know whether or not we’re going to be able to build them for a little bit of money or a lot of money. At this point where I’m being asked to make a decision on something that’s only 85 percent known, I appreciate – I think I used the term best guess earlier – that the estimate is probably a little bit more than a best guess.

But when it comes right down to it, we’ve had people who have looked at this project, they’ve taken their skill, they’ve taken their knowledge, and they have identified an amount as an estimate. But it’s still a bit of a guess. It’s an art. I agree estimation is an art, and I think it’s definitely a very good guess. But it’s a guess because we cannot with certainty say it’s only going to cost us $299 million for that road. If somebody could guarantee me that, I would take them up on it in a heartbeat.

The only other thing I guess I wanted to say is that the Transportation Minister earlier, and I can’t remember quite when, but earlier at some point in time stated that the project wouldn’t go forward without 75/25 funding split from the federal government. I appreciate that things have changed, but it only adds to the sort of negative things for me that are already there in terms of this project. It’s more money for us. It’s causing us to be further in debt. We have yet to know the impact it’s going to have on other large capital projects down the road. Although the Finance Minister will tell me that’s okay because we planned for $50 million a year and now we’re only $20 million a year, so it’s all good. Hard for me to believe that.

I’m not quite sure. I approve the project. I cannot approve, I think, the funds that we’re being asked to approve here. I think I will, probably I will… I may abstain. I will not vote for this project. I may not vote against it.

**CHAIRMAN (Mr. Dolynny):** Thank you, Ms. Bisaro. Mr. Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Chairman. I appreciate the Member sharing her point of view and her assessment of the circumstances related to this particular project. We are elected in this Assembly to make choices when we are presented with information and it’s time to move on a project like this. That is our challenge here today, and I appreciate that it’s caused some angst with some of the Members.

At the end of the day I want to as well assure the Member that my intention was not to offend her. I was making an observation, and if I have offended her, I apologize. That was not my intent. Having said that, I thank her for her comments, and I look forward to the final outcome of this deliberation.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mr. Miltenberger. Ms. Bisaro, your time is up. Moving on page 5, I have Mr. Bromley.

**MR. BROMLEY:** Thank you, Mr. Chairman. The comments were actually made to me, so I would accept the Minister’s apology too.

Just on the fibre optic line, if I can pick up where we left off there. Obviously it doesn’t need a road. If this project goes ahead, it will obviously soak up a lot of infrastructure dollars for, as we know, very little economic gain. I believe the 400 seasonal jobs for each of five years and, according to the economic study done by the department, 42 long-term jobs over 45 years. I don’t know if the tenure might be a long-term job. I’m not sure of the definition there.

With the loss of oil and gas jobs and so on, there’s no net gain there, especially compared to putting work into renewable energy projects. My concern is that this will, of course, shut down those renewable energy projects which offer real economic development and returns for the people of the region because the infrastructure dollars will be soaked up by this project. I guess, having heard the Minister’s dream, I just want to share my dream that someday this government will decide to actually invest in projects that are really designed to permanently enhance community economies and the future of our residents.

The Minister of Transportation at some point spoke of good intentions. I don’t question that. I think the intent is good here. I have to reiterate the comments of my colleague Ms. Bisaro that, very quickly, we are not speaking against the people because we don’t think they shouldn’t have anything. We are actually being forced to make decisions based on less than full information. We’ve had experience on what that can bring. My intent in raising these questions and comments is to actually do justice to our Beaufort-Delta residents and of working towards actually improving their lives and futures and their community economies, as I mentioned.

In summary, I guess, this project will clearly not provide the answers we want. It is simply doing the same thing harder, once again, with our fingers crossed and our eyes closed. I think there are enough sort of very large-scale challenges coming down the pipe at us that we’re aware of that we can’t afford to do this anymore. We have to be better, and we have to not look for the temporary short-term fix. We need to focus dollars such as these on ways of doing business that will actually meet the objectives that we want.

I would ask the Minister, just by way of a question, does the Minister expect that there will still be lots of money for renewable energy projects in this region, even if this project goes ahead and anticipating that it will certainly – almost guaranteed – be more expensive to both build and maintain?

**CHAIRMAN (Mr. Dolynny):** Thank you, Mr. Bromley. Mr. Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Chairman. Everything that I know about the people of the Beaufort-Delta tells me that they don’t get along just by crossing their fingers and keeping their eyes closed and hoping for the best. This is a project that is of significance territory-wide. It is clearly a huge project of significance to the people of the Beaufort-Delta, and we all, every one of us wants to have our communities connected by a permanent all-weather road. I think that that’s a good investment. I just happened to look at the newspaper today and I just noticed a column from Cece McCauley laying out her intense frustration about the road again in the Sahtu. For those that don’t have roads, this is an overwhelming issue.

We had booked $150 million for this project. Our share is coming in at $100 million. We’ve already committed to adding $50 million next year to the capital plan. We’ve also just signed a milestone agreement on devolution and we’ll soon be seeing those resource royalties flowing, and we will have the debate about how much of that infrastructure money goes to energy issues. Will there be resources to continue work in energy and biomass, and solar and hydro? Absolutely. We’re going to come forward with some very ambitious plans on the hydro side where we’ll be having a very similar discussion to what we’re having right now in terms of sticker shock, in some cases, by some Members, possibly.

**MR. BROMLEY:** The Minister is twisting my words again, but he’s getting pretty good at that. Obviously, I would say that the amount is well over $100 million already. We know that, having already spent $11 million or $12 million on this, so the Minister is already low-balling it here. But I guess I would ask how the hydro development is going to help lower costs for the people of the Beau-Del, but that’s getting a little far astray. The Minister keeps making remarks that take us away from that project. That’s really all I have. I won’t be supporting this project and I would love the opportunity to support a project in this region that would really give the people what they really want.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mr. Bromley. I’ll allow the Minister a reply if he needs to. Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Chairman. If we look collectively as Northerners at the Northwest Territories, if regions prosper then we all prosper. If things go well in the Beaufort-Delta then we all benefit, if we can put in hydro transmission links that promote development. As former Minister Duncan said when we were in Ottawa, there are about 25 projects on the go, about $21 billion worth of activity, but a lot of it’s predicated on access to reasonably priced power. If we put transmission lines in and we and promote that kind of sustainable economic development, then the money goes into our coffers in general revenue and everybody benefits. That’s the whole beauty of our kind of arrangement here and the free enterprise system and a balanced approach to sustainable development and protecting the environment as we move on resource development. We have to do this because we’re all on the same side here and we all benefit when one region wins or another region wins. It all benefits and we all benefit at the end of the day.

**CHAIRMAN (Mr. Dolynny):** Thank you, Minister Miltenberger. Moving on with questions on page 5 here, I have Mr. Hawkins.

**MR. HAWKINS:** Thank you, Mr. Chairman. This is the first time I’ve spoken to this particular issue. I was going to parcel my comments on the $5 million and keep them separate from the $60 million portion, which is on the next supplementary appropriation. I can appreciate the fact that Members had to speak to both at the same time.

I’m certainly in a peculiar position when I think of this project, because, to be frank, I feel that not any one person, I should say it that way, but I feel, to some degree, like we’ve been painted into a corner that if we question the project, that we’ve been seen as questioning the region, and I have to admit there’s this feeling that when we’ve asked questions, people are characterizing as if we don’t support the region at all. I wish that wasn’t the case, but that has been an undertow to this problem right now. I mean, a lot of this is called due diligence by us. The public would have an expectation that we would ask lots of questions to make sure that the project could be defended, and that’s the problem. This project has become emotional as opposed to, sort of, a technical discussion, and so when we ask questions about where are we going to make up the money, inevitably someone will say under their breath, well, you just don’t like the people of Inuvik and Tuk. That’s why. And that’s not the case. That has never been the case, at least from my position, and I’ve never thought of it that way.

I can still remember being introduced to the project by Calvin Pokiak, when Calvin first got elected in 2003. We were part of that class of 2003. We sat down with Mervin and he laid out this scribbly old piece of paper that you could hold up in the air and you could almost see through the thing. That map had travelled so many times and so many years about the initial 140 kilometre highway and the challenges thereof. Mervin explained the narrative, how that originally came across, and we talked about it at the time. Then I remember the asks about supporting the initial phase of let’s build to 177, to that gravel source, and that will help. Once we kick it off, we’ll start kicking off the longer length of the project, and how the bigger project will grow as time presents itself.

I mean, the fact is, it should be no surprise to anyone here, I mean, I’ve said it repeatedly that I support nation building, and certainly that’s part of the reason why I stood, in a comparative sense, to why I got behind the Deh Cho Bridge. I always believed it was so nation building. And I say likewise, it’s because I do believe in the principles of this highway. I’ve never swayed from that thought, because I think that it’s important. I’ve never believed that public infrastructure comes cheap. I’ve always believed it’s always fraught with headaches, whether it’s public headaches, financial headaches, criticism, critiquing, you know, you name it, throw it in there. But it’s the responsibility of our elected politicians to question these things and make sure that they stand the test of questions. It’s frustrating because, again, it’s almost as if it’s characterized us when we’re questioning these types of things. Then we have to question them maybe in a similar manner of the Deh Cho Bridge how we’re coming after the fact and asking why did we continue down this road. When we look at this project going forward as a forward investment, we’re asking what did we learn from the last one.

I don’t say this stuff for the goodness of my health. I would be a much happier person if we didn’t have to go through this process time and time again but, I mean, that’s part of the concern here, is how we prepare. I mean, it was about a week ago we were talking about $299 million as our upper limit to our risk, and many of us, like myself, envisioned a 75/25 split and the government’s costs would be $75 million. Well, today we learned it just grew by $25 million in a heartbeat over a signature on a piece of paper. I mean, there was no guarantee that it would continue to be a 75/25 split. As we all know, it was a $200 million estimate a year or a year and a half ago, two years ago, and things have changed. I recognize that. I’m not certainly fooled, but to cause concern at the same time, we have to ask ourselves about the ripple effects of these particular initiatives. You know, we’re fighting for every ounce or every single peanut on this side of the House for investments on our views, but $25 million, oh, don’t worry, we booked more. Here it is. No problem, from the Cabinet side.

A week ago we were scrambling and trying to get government to look at our $4 million asks, and they complained, woe is me, we could not afford another ounce from Members’ benefits of suggestions, and we were only suggesting to government’s bottom line on their budgets. We were trying to put money in your budgets. I wasn’t taking any of that money home, nor was any Regular Member. Yet, we were told the cupboard is bare, absolutely bare. Then we hear Minister Miltenberger go on and on about the fiscal strategy, how we wanted just a little more, and the Members’ perspectives on how our sides were worried about things like prevention and addictions, and how important those things were to us and the views of the Assembly, but yet there was just never any money for those things. Not enough money, that is. No. But as I recall our discussion back to this very point now, which is but there’s 25… These aren’t pennies from heaven. These are more like gold bricks falling into the side of Cabinet. I mean, they can always find $25 million for their projects. It’s a struggle.

I wanted to focus my comments strictly around the $5 million. I do have further comments for the $60 million portion. What I’m going to say is I’m going to save my questions more so for the $60 million only because I thought people are kind of getting exhausted on this particular budget item or budget line.

But there is one area I would like to ask, which is will the Minister guarantee that there will be no carry-overs of this $5 million? We have heard repeatedly how they need this $5 million as soon as possible. If we look at the calendar that the Assembly at the earliest it can pass it is at the 14th of March, that leaves it slightly over two weeks for them to spend $5 million. My fear is that this money is being… The $5 million portion. I’m not talking about the $60 million. The $5 million is being thrust upon the Members so quickly so they can get a commitment out there in a contract, but it won’t be spent and it will be applied for through the FMB process to carry it over to the next budget.

What type of guarantee will the Minister provide this House that this money was of such urgency, the $5 million portion only, that they will have it all completely spent before the end of the budget year? Thank you.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mr. Hawkins. Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Chairman. We are doing two supps here, one for $5 million and one for $60 million. As has been discussed, approving these supplementary requests is going to signify and signal our commitment to this project for $299 million.

What the Member asks makes no sense to me. We are going to get the work started two weeks earlier in March. The money will be committed. The work is going to carry on past. It is going to be picked up by the $60 million that we are also going to be approving here later tonight, and the project will start to unfold. The Member is asking for something that makes no sense to me. Thank you.

**MR. HAWKINS:** Mr. Chair, so I guess this is the way they wind the clock down on me on this one. Is this money that’s being requested, the $5 million for the Tuktoyaktuk side brings it to, I guess, Source 177 is $5 million and it’s a fiscal commitment in this budget year up to March 31st. What guarantees that money will be spent? I’m not talking about the $60 million. Thank you.

**HON. MICHAEL MILTENBERGER:** You’ve had the clear assurances from the department, from the deputy and from the Minister that the funds will be put to good use. Everything is waiting to go. The minute that this is passed and assented to, it will be starting to be put to use. Thank you.

**MR. HAWKINS:** Mr. Chairman, I’m running out of time, and I know that Members will be moving a motion here shortly, so not to be too far in my anticipation, but on the $5 million, I will support, but at the same time, I do want to ask more questions during the $60 million portion.

That said, I’m just concerned about the way $5 million is being asked for this late in the game because it’s in this fiscal year. Quite frankly, the reflection in getting here is we are trying to make some type of financial commitment, contract, as quickly as possible. Everybody knows it won’t be spent by this fiscal year and that will be applied forward as carry-over. In other words, where I’m going with this is, why don’t we just push it all into the new fiscal year as one budget line item? It will demonstrate, as the Minister knows very well, my continual concern about carry-overs where we give a department money they cannot spend and they accept it anyway, of course, and can’t spend it. That’s the issue, Mr. Chairman.

**HON. MICHAEL MILTENBERGER:** Mr. Chair, I understand and can appreciate the Member’s concern in this instance. That money will be fully committed and expended. They’re going to work on that right away and it will be committed fully as soon as it’s approved in this Assembly. Thank you.

**CHAIRMAN (Mr. Dolynny):** Thank you, Minister Miltenberger. Mr. Hawkins, your time is up. Last person speaking on this subject on page 5 is Mrs. Groenewegen.

**MRS. GROENEWEGEN:** Thank you, Mr. Chairman. I thought I had pretty well said everything I wanted to say about this, but there is something that Minister Miltenberger has referred to numerous times now and it’s scaring me. When he says that we booked $150 million for our share of this, that’s frightening me because I don’t know how people understand or perceive that, but I’d like him to explain as Finance Minister, for the record, that nobody out there in the public should be led to believe that we have an additional $50 million over and above the $100 million that we’re talking about here now as our one-third share that’s available for this project. Already I’ve said that I’m trusting the Department of Transportation to try and bring this project in on or under target and there is already a contingency built into the $299 million.

I know where Mr. Miltenberger is coming from, but just to make sure that people understand that when we say the $150 million was booked by our government, that’s only part of a very kind of loose fiscal framework and it is not anything that’s been approved or voted on in this House. Let’s not leave people to believe that we have another $50 million out there for this project. Can I get clarification on that, please? Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mrs. Groenewegen. For that we’ll go to Mr. Kalgutkar.

**MR. KALGUTKAR:** Thank you, Mr. Chairman. When the Minister said we booked $150 million for the project, what he was referring to was we planned for $150 million from the federal government in the fiscal framework. So it was a planning purpose. Thank you.

**MRS. GROENEWEGEN:** Thank you. I’d like to hear from the Finance Minister on this. Now what Mr. Kalgutkar is saying leaves me to have less confidence that somebody out there listening to this is going to think that we have another $50 million for this project. I’ll tell you, if there is another $50 million ever comes forward in a supp for this project, we’re going to take it right out of the Thebacha riding.

We need some more clarification and I want to hear from the Minister on this. Thank you.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mrs. Groenewegen. Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Chairman. I apologize if I have caused confusion. What it means is this is borrowed money. It would be $50 million less debt. We had booked $150 million. We had budgeted $150 million because we didn’t know what the federal government was going to put in other than the $150 million. The project cost was $300 million, so for planning purposes, until we knew what the federal number was, we budgeted $150 million of our money to go towards that project until we knew what the final federal dollar was going to be. Now that we know it’s $200 million, that means we have $50 million of less debt that we’re not going to have to take on to pay for 50 percent of the project. We’re only paying for 33.5 percent. Thank you.

**MRS. GROENEWEGEN:** Thank you. Just so the people understand then, booked is something far different than budgeted. It’s not likely that there’s any such amount of money going to come forward on behalf of this project in the future. Thank you.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mrs. Groenewegen. I’ll take that as a comment. Committee, page 5, 2012-2013 Supplementary Appropriation, No. 3, (Infrastructure Expenditures). Transportation, capital investment expenditures, highways, special warrants, $1.028 million.

Highways, not previously authorized, $10.3 million. Total department, special warrants, $1.028 million. Total department, not previously authorized, $10.3 million. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Dolynny):** Thank you, committee. Committee, page 6, 2012-2013 Supplementary Appropriation, No. 3, (Infrastructure Expenditures). Environment and Natural Resources, capital investment expenditures, forest management, not previously authorized, $62,000. Total department, not previously authorized, $62,000. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Dolynny):** Does committee agree that we’ve concluded consideration of Tabled Document 49-17(4), Supplementary Appropriations (Infrastructure Expenditures), No. 3, 2012-2013?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Dolynny):** Thank you. Mr. Menicoche, what is the wish of the committee?

## COMMITTEE MOTION 19-17(4): CONCURRENCE OF SUPPLEMENTARY ESTIMATES (INFRASTRUCTURE EXPENDITURES), NO. 3, 2012-2013, CARRIED

**MR. MENICOCHE:** I move that consideration of Tabled Document 49-17(4), Supplementary Estimates (Infrastructure Expenditures), No. 3, 2012-2013, be now concluded and that Tabled Document 49-17(4) be reported and recommended as ready for further consideration in formal session through the form of an appropriation bill. Thank you, Mr. Chair.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mr. Menicoche. The motion is being circulated.

---Carried

**CHAIRMAN (Mr. Dolynny):** Mr. Menicoche, what is the wish of committee?

**MR. MENICOCHE:** Thank you very much, Mr. Chair. Committee wishes to consider Tabled Document 50, Supplementary Estimates (Infrastructure Expenditures), No. 1, 2013-2014.

**CHAIRMAN (Mr. Dolynny):** Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Dolynny):** Okay, committee, would the Minister have any opening comments?

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Chairman. I’m here to present Supplementary Estimates (Infrastructure Expenditures), No. 1, 2013-2014.

This document provides for an increase of $60 million for capital investment expenditures in the 2013-2014 fiscal year. Supplementary funding is for the Department of Transportation for the construction of the Inuvik-Tuktoyaktuk Highway Project, a cost-shared project with the federal government.

I’m prepared to review the details of the supplementary estimates document. Thank you.

**CHAIRMAN (Mr. Dolynny):** Thank you, Minister Miltenberger. Mr. Miltenberger, do you have witnesses you’d like to bring into the Chamber?

**HON. MICHAEL MILTENBERGER:** No, they’re already here.

**CHAIRMAN (Mr. Dolynny):** They’re already here. Thank you. Minister Miltenberger, again, for the record, if you could introduce your witnesses.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Chair. Mr. Mike Aumond, deputy minister of Finance; Mr. Russ Neudorf, deputy minister Department of Transportation; and Mr. Sandy Kalgutkar, deputy secretary to the Financial Management Board. Thank you.

**CHAIRMAN (Mr. Dolynny):** Thank you, Minister Miltenberger. General comments. Thank you, committee. We’re hearing general detail. Committee, I’m going to ask you to turn to page 5 of your supplementary, 2013-2014, Supplementary Appropriation, No. 1, (Infrastructure Expenditures). Transportation, capital investment expenditures, highways, not previously authorized, $60 million, total department, not previously authorized, $60 million. Mr. Bromley.

**MR. BROMLEY:** Thank you, Mr. Chair. Am I to understand that $40,000 of this will be federal dollars provided at some point during the fiscal year? Thank you.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mr. Bromley. Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Chairman. I believe the number is $40 million over the life of the project.

**CHAIRMAN (Mr. Dolynny):** Thank you, Minister Miltenberger. Would Mr. Neudorf care to clarify? Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** So out of the $60 million, $40 million will be coming from the federal government. Okay, got it right. Thank you.

**CHAIRMAN (Mr. Dolynny):** Thank you, Minister Miltenberger. Mr. Bromley.

**MR. BROMLEY:** Thank you. I believe my colleagues corrected me there. It was $40 million. So that will be happening this fiscal year, we will get a transfer of $40 million from the federal government for this cost. Is that correct? Thank you.

**HON. MICHAEL MILTENBERGER:** Thank you. What the process will be is the political commitment has been made for the $200 million. Mr. Neudorf and his officials will be working with his counterparts in the federal government to work out the details and the funding agreement that will allow that money to flow, and we anticipate in the next two months that would be concluded and the money would start to flow into the project. Thank you.

**MR. BROMLEY:** Thanks for that information. So we will, for sure, have that money for consideration during our fall capital budget, that $40 million for other expenditures. Just looking for confirmation again. Thank you.

**HON. MICHAEL MILTENBERGER:** Yes.

**CHAIRMAN (Mr. Dolynny):** Committee, again, page 5, 2013-2014, Mr. Hawkins.

**MR. HAWKINS:** Thank you, Mr. Chairman. I did promise I had a few questions on this particular section and I would save my questions to the $60 million page. One of the issues I raised last week, and I think you even highlighted it in a comment earlier, was about publicizing a risk matrix on the Inuvik-Tuk highway, and I appreciate the fact that it’s now shown up on our desk here, but one of the issues I was trying to get at and get a response from the Minister was that this would be in hand and publicized before we’d be making a decision. This information, in a large sense, has shown up in the middle of the discussion and has stopped us, quite frankly it’s stopped us from getting any sort of insight, and certainly expertise outside this building, independent views of the people in the construction industry, because this was always stamped with the big word confidential on it. So I’m curious, from the Minister’s point of view, and certainly from the department’s point of view, of how this is now benefitted me in making a decision on this project? Thank you.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mr. Hawkins. Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Chairman. The information, albeit confidential, provided back in December. It was requested today when we met with committee, that the request was for a plain language summary, which we worked hard to get on the table into committee and which we will table tomorrow. There has been, well, it’s not going to benefit the general public because the discussion will help edify them, but it won’t be part of the prior discussion to today’s vote on this supp. It does provide and has provided the Members with all the information we had available on an ongoing basis as it developed, and as it became available it was shared. Thank you.

**MR. HAWKINS:** Thanks. Again, speaking about the process here – and that’s what I’ve been concerned about all along – yes, I asked for a plain language document in the House repeatedly last week to the Minister. Of course, he avoided answering the question the best he could, but what the public saw and what they responded to me was the fact that we needed a plain language document out there in the public, no matter how funny it seems to the Minister, so we can get these types of input and value on these projects, because some of the issues, I have to tell you, I’m not fully experienced in these areas. So I would have liked to have seen inside, but we get this after the fact. So this document has slithered onto my table while we do this and, quite frankly, I’m disappointed by how late it is. I asked for this last week before we’d make this. So we get this after the fact. This is like rear-view consultation. How many times do we hear about, well, you didn’t consult with us? Now we get a chance that we get the consultation document after the fact, and it’s quite offensive, to be honest.

If you compare the two documents, which we haven’t been given a chance to compare, you’ll notice the new document on the risk matrix has 42 items as a problem, but the document we were even handed at lunchtime, if I may go so far as saying, has 41 items. So I haven’t been able to compare the two documents to find out what’s been added or what’s been changed or what’s missing.

The department knew that this question was coming a week ago. What stopped them from providing this particular information in advance so we could table this in a proper way? They knew this decision was coming on the highway and the fact is the public should not make a mistake. This is not against the highway. This is against the process and against the fact that this is an issue with the process. Thank you.

**HON. MICHAEL MILTENBERGER:** Thank you. We should be clear that this risk matrix is an evolving living document that, as we conclude all the work and do all the geotechnical, it will be amended. There was work being done on the plain language summary. The government, the department was not deaf to the entreaties of the Member, so we now have it before us in addition to the document that was given in December.

The way we do business for the most part in this Assembly, that I recollect, with committee is we share during the budget process and planning process all sorts of information because we’re a consensus government. We do a full disclosure. It’s not the practice to necessarily do everything through the public fishbowl type of process where every document that we talk about in committee and with committee by the department, in this department or any others, is automatically put on the table and put on some type of public website as we try to sort through things because it would be very difficult to follow.

When we’re ready and our thinking is clear on things, then we’re in a position to lay that information before the public. In the meantime, we do need the opportunity to work with committee to work through a lot of these issues.

**MR. HAWKINS:** The Minister says how we don’t do this. The fact is we don’t approve $300 million projects. Quite frankly, once we’ve approved the $60 million portion, I consider the road on its way. You would think that the concerns of Members would have been treated with more respect on this process. The fact that it’s almost as if the information’s been denied Members for their ability to go out and do their work and due diligence on this. The fact is, middle of December to beginning of March, if nothing’s changed on the original risk matrix, it’s odd. Maybe the Minister can help explain why it changed in the last two hours of today as opposed to just over two months nothing’s changed.

**HON. MICHAEL MILTENBERGER:** The main change of course is from the technical document that we were looking at. It was one that has been converted into and translated into plain language and which would affect the way it’s structured and how it’s worded.

**MR. HAWKINS:** Is the Minister saying that now that we’ve printed this in a plain language document that that’s become a risk?

**HON. MICHAEL MILTENBERGER:** I believe in the risk matrix there is political risk that has been identified. Putting this into plain language, I don’t know if it’s necessarily a political risk. The Members asked for a plain language summary. We’ve provided it to them, and we’ve indicated, as well the Minister committed that we would table this in the House tomorrow.

**MR. HAWKINS:** This is like complaining about the ship that’s already long since sailed. It provides very little value other than those four most satisfying words in the English language, which are “I told you so.” The fact is this provides little value in the lead up and preparing for this particular initiative, because how do we prepare for it in a manner that makes sense to talk about these things? And that’s a failing of the process. That’s a failing of the Minister. That’s a failing of the system. How does the Minister defend that this simple piece of information that was asked for over a week ago or about a week ago couldn’t have been produced and been ready for a timely placement before the House before this forced vote on this particular initiative? The issue all along was asking for public information so we could digest this, discuss this, and bring this topic. I’m sure the public will realize that we’re not talking about the $300 million project anymore. We’re talking about the process.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mr. Hawkins. For that we’ll go to Mr. Ramsay.

**HON. DAVID RAMSAY:** Thank you, Mr. Chairman. We have been before committee. We were before committee providing information back in December. February 20th we were back in front of committee. Any assertion that we haven’t been sharing information is a false one. The information has been shared with Members of this House. Members of this House are representatives of the people of the Northwest Territories. We have shared the information. We’ve committed today to get a plain language document that we can share publicly. We’re going to do that.

We’ve shared that with Members today, in the lead up to today, when we finally did receive confirmation from the federal government on the additional $50 million. The project was, in essence, hanging in the balance. We didn’t have the commitment from the federal government. There are reasons why we don’t expose ourselves by putting all the information out in the public realm. We don’t get public expectations up. We needed to know exactly what we were getting ourselves into.

With the commitment today of the additional $50 million, we are ready to move forward. We have committed to put that information into that document that Members have. The public will have it, and we’ll get it on our website. I don’t want anybody that’s watching the proceedings tonight to think for one second that it’s my intention as Minister, or this government’s intention to keep information from the public. That’s not our intention at all.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mr. Ramsay. Mr. Hawkins, I’ll just allow a quick rebuttal on that one.

**MR. HAWKINS:** Thank you, Mr. Chairman. I completely disagree with the assertion of the Minister’s. This is, quite frankly, smoke and mirrors. By laying this information out in a way that we can’t get public consultation, I have been prohibited strictly from seeking information by this government because the words confidential have been stamped on all the information we’ve constantly been receiving in private briefings. This Minister should enlighten this House how he gave us the fullness of all information in a confidential manner, in a manner we can’t seek public information and guidance from this, to learn about this in a manner to ask good questions.

To say we’ve met with committee, sure, you’ve met with committee, but the fact is it’s always been confidential. We have never been in a position to take advice or get advice from others outside this building who are already in this project. Who am I supposed to ask? Somebody from the Department of Transportation? They’re the ones sending us this perspective.

The assertion from the Minister of we’re sharing everything is, again, rear-view consultation. This is ridiculous because the fact is I had asked for this a week ago. This was not a new request about making sure this information is available, about making sure information is available in a timely way. If anything, this is the same question he would be asking if he was sitting on this side of the House.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mr. Hawkins. Final comment on that, we’ll go to Mr. Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Chairman. I believe Mr. Ramsay would like to respond.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mr. Miltenberger. We’ll give the courtesy to a final comment on that to Mr. Ramsay.

**HON. DAVID RAMSAY:** Thank you, Mr. Chairman. Just a comment on that. I asked questions for eight years, so I do appreciate the Members asking questions. I guess I always try to look at the positive when looking at decisions that we have to make. A lot of Members have compared the highway project to the Deh Cho Bridge. Being a Member of this House for as long as I have been a Member, the debate on whether or not the government got into the Deh Cho Bridge never got to the floor of the House.

We are having this discussion today. We have all the information squarely on the table. We are able to debate the merits of a large-scale infrastructure program here in the Territories. I think it’s a great day when we have that opportunity. We have provided the Members with the information back in December, again in February, and the document we provided today. We have provided the information. We are going to look to Members to support the efforts to build this highway in the Beaufort-Delta.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mr. Ramsay. Mr. Hawkins, your time is up. Let me know if you need to get back on. Moving on with questions on page 5, I have Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Chairman. I want to make a comment. I am a Member for Sahtu that certainly – when we go up there we don’t have the all-weather road – understands the people in the Beaufort-Delta and Mackenzie Delta for pushing for this road here and their efforts. I know that my people would like to see an all-weather road. We also know the resources are there right now. We also know that the people up in Tuk and Inuvik have worked long and hard and they’ve done their work. They’ve told me in the Sahtu they have done the lobbying, they’ve done the work, they’ve convinced a lot of people. They even worked with the government of the day to get their work in the books, and so far as we have the Prime Minister of Canada making a commitment, unheard of, to a project in the Northwest Territories.

Us in the Sahtu, we understand about infrastructure and building. We have been at it for a long time ourselves since the ‘70s, even since the ‘50s when Diefenbaker had his dream about the Road to Resources. This is 140 kilometres of road. When you come outside here, and not to pick on Yellowknife, but if you come outside here you drive down here to the Ingraham Trail. That’s 74 kilometres of road. Most of it’s paved. Surely we could do 140 kilometres up at the Beaufort Sea.

How many millions of dollars have we spent? I call it the best fish road in the Northwest Territories because it’s paved right to the end. My wife and I drove on it and said, gee whiz, Tulita to Norman Wells is 84 kilometres. Surely we can build a road like that. That’s 74 kilometres on my GMC vehicle. We have to build. That’s about it. We have to build this country. We have to build what they’re asking for.

You say they’re 85 percent designed. What kind of dollars are we looking at for the 15 percent to get 100 percent completed design? I’m going to rely on the Minister, the Minister of Finance and his department. Other than going into I have a dream or let’s build this Northwest Territories, you know, it is unprecedented to have the Prime Minister come up with $200 million for infrastructure. I wish he could do that in the Sahtu for us, but we keep our hopes alive.

This looks like a lot of money but the benefits outweigh it. We have to do it for them. We have to of course go through some of the hard questions, but we feel confident. We have to do it. If we want to build a $2 billion highway and we’re fighting over $299 million, look at the work that we did at over $200 million for the Deh Cho Bridge, what is the federal government going to say to us? You guys want to build a $1.8 billion highway? We’re with the big boys now. We need to do that. That’s his only chance.

I’ve been here eight years, nine years. This is the first time I’m seeing it. I never thought I would see a devolution deal. I never thought that would be possible. We may disagree, but we have to go arm in arm on this one and show Canada and show the rest of the world that there are possibilities for us. I’m not going to ask too many questions. I want to know, I guess, in regard to the 85 percent of the design, is that 15 percent the uncertainty? I don’t know. Mr. Minister, you might know.

Finance is putting this deal together. We still have to deal with the Inuvialuit and the other things that we have to put this deal together. We need to start building. We have to put the heavy machinery to work and the people to work and help fulfill the Prime Minister’s vision or goal, sea to sea to sea. Pretty soon they’re going to see it in the Sahtu. That’s what I’m looking forward to.

For me, we still need to look at some of these hard questions. I understand that. But I think that we have to support the people up there. We’ve got to do that. That’s all I’m going to say. These are mostly comments, but if he wants to answer one question on 85 percent design, what’s the 15 percent? Certainly, if they can build a road from here to the end of Prelude Lake and pave it, maybe they will do that one up there too, because what’s good for the goose is good for the gander, is what I say.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mr. Yakeleya. We’ll go to Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Chairman. The $65 million that is currently before this Assembly – the $5 million that was just approved and the $60 million now before the House – will prove up the gravel, we’ll do the geotechnical work, conclude that, and finalize a design before we go to tender and actually get the work done this fall.

**CHAIRMAN (Mr. Dolynny):** Thank you, Minister Miltenberger. Moving on with questions on page 5 here, I have Mr. Hawkins.

**MR. HAWKINS:** Thank you, Mr. Chair. The Minister just said going to tender. Is this project going to be put out for public tender?

**CHAIRMAN (Mr. Dolynny):** Thank you, Mr. Hawkins. Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you Mr. Chairman. This particular money, they’re just finalizing the decision of how they want to deal with this.

**MR. HAWKINS:** When will we know if this will be a tender or a negotiated contract?

**HON. MICHAEL MILTENBERGER:** The big project, the final determination has yet to be made how we will proceed with that, whether it will be total public tender, negotiated. We have to look at a lot of factors. This $65 million, given the specificity of the work and the tight time frames, there’s a negotiated contract being worked out to put this money to use. But I’ll ask Mr. Neudorf to add a little more detail, please.

**CHAIRMAN (Mr. Dolynny):** Thank you, Minister Miltenberger. Mr. Neudorf.

**MR. NEUDORF:**  Thank you, Mr. Chair. A portion of the $65 million will be used for the geotechnical and then for a Source 177 upgrade. That would total about $25 million, and that work, we are planning to negotiate. There’s the rest of the money, the $40 million, which will first be used to take us from 85 percent to 100 percent design, to get us through the regulatory process, and then to begin construction on the new sections of the road, the 120 kilometres that remain, to begin that construction this coming winter.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mr. Neudorf. Mr. Hawkins.

**MR. HAWKINS:** Have those negotiated contracts already started and with whom?

**MR. NEUDORF:** The proposal is that we would negotiate with a joint venture between E. Gruben’s Transport and Northwind Industries in Inuvik. E. Gruben’s is in Tuk.

**MR. HAWKINS:** Is anyone sharing any risk on this particular highway besides the Government of the Northwest Territories?

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Hawkins. Sounds like a political question. Mr. Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Madam Chair. Clearly, the Government of the Northwest Territories is the proponent and we’re going to oversee this. We have a $200 million contribution. We’re going to be responsible for building it on time. We’re going to be responsible, God forbid, should there be any cost overruns. We are the major proponent. The folks doing work with us in the private sector will have their own liability insurance for different areas of work, but in terms of being responsible for the overall project, that’s going to be overseen by the Government of the Northwest Territories through the Department of Transportation.

**MR. HAWKINS:** I want to say I apologize for when the Minister said God forbid there be any overruns, I said that that’s hypothetical. At least it would be a hypothetical answer by the Minister, I guess, considering any question in that regard last week was hypothetical. At least now you’ve validated that real possibility. It’s odd what a week does.

On the royalty discussion, this is no surprise to the folks in our gallery, and I’m certainly not uncomfortable asking this question. It is a fair and reasonable question on the budget. How much is the territorial government on the hook for royalties? Just be clear, as we all know, and in case the public is following, because I know they read over Hansard with great interest. The Government of the Northwest Territories will be paying for gravel. We will be, obviously, compensating for loss of land whether it’s purchase or replacement. The issue of the over and above just based on royalty, I know they have a land claim agreement that certainly entitles them, and my question has always been around skinning the game. What is the royalty rate requested by the IRC?

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Hawkins. Minister Ramsay.

**HON. DAVID RAMSAY:** Thank you, Madam Chair. We are still in active negotiations with the IRC on the rate of granular royalties for the project, and I wouldn’t want us to get into negotiating a deal on the floor of the House today. I think we have to let the process work itself out. We will arrive at a figure and when we do, we will share it with Members.

**MR. HAWKINS:** With the budget publicized, how do we know that we’re going to get the best price for this particular project?

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Hawkins. Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Madam Chair. That’s the whole point of all the estimating we’ve been doing. This has to be a fair deal. We have to get value for money. This is not a cost-plus contract. Everybody that’s involved in this project knows how difficult it is to come by money of this magnitude and the need to provide the public clear evidence of value for money.

**MR. HAWKINS:** I’m not seeing the gap here. If we told everybody how much we have for this particular road estimate, our fine work all done. Of course, a $300 million road, everyone knows what it’s worth and we’re going to negotiate a contract. What’s to stop the joint venture from asking for, in all intents and purposes, the full $300 million?

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Hawkins. Mr. Neudorf.

**MR. NEUDORF:**  Thank you, Madam Chair. The $300 million is made up of many different components for the project including the construction cost, obviously, but project management, additional design contingency, so the information about how much is exactly available for construction of the road is still to be determined, and will only be fully known once we actually decide on the procurement process and get the contractor to do the work.

**MR. HAWKINS:** The deputy minister said earlier that they needed to drill more holes, I assume to test gravel sources. Where is the gravel that they believe they’ve found? Is it enough and what’s the quality of the gravel? In essence, what does drilling more holes and testing mean?

**MR. NEUDORF:** Much work has gone on in the past in the Beaufort-Delta to look for granular deposits, and we have sifted through all of that information to come up with a plan for where we will get our granular material required to construct the road. We do want to go back and drill some more holes so that we can have some more certainty on both the quality and the quantity of granular that’s there. But based on the information that’s available, we’re comfortable that we will be able to prove up the resources that are there.

The other part of geotechnical is to conduct drill bore holes at all of the bridge sites so that we can finalize the design on the foundation for the bridges, and then also to look at various places along the proposed highway alignment so that we can better understand some of those areas that are going to be a little bit more challenging to build some road subgrade on and come up with the optimal solution for those areas. Thank you, Madam Chair.

**MR. HAWKINS:** I am curious on how the department is familiar with construction techniques on this area of permafrost. As we all know, Highway No. 3 has its I’ll call it technical challenges rather than laden it with some description probably fair and certainly unfair. That said, the constant excuse I’ve heard was the reason Highway No. 3 is the way it is in its own state is the ice lenses. I believe it was interesting terminology picked out of the air a number of years ago to explain why the permafrost is fluxing and the matter of the ice lenses. Those were Department of Transportation words, so I don’t have to provide anyone further elaboration of what that means.

How do we know that our construction techniques will prove themselves of quality in nature in that particular area considering we are building a year-round road? As we heard, there is significant concern with the ground that this is going to be built on, the amount between the amount of material required and build-up. Do we have any proven techniques and where do we look to see them demonstrated that we can build a road at this price in this particular area using what techniques? Thank you.

**MR. NEUDORF:** Madam Chair, as part of the design team that has been designing the project, reviewing it, we have international experts in permafrost that are providing input to us and to the design. Within DOT itself, we have many engineers with expertise on permafrost. We have been working on subcommittees that are doing reports, preparing nationally developed guidelines for construction on permafrost. We are taking all of that information and using it to optimize the design of the road. Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Neudorf. Mr. Hawkins, your time is up. Let me read the page again. Page 5, 2013-2014 Supplementary Appropriation, No. 1, (Infrastructure Expenditures). Transportation, capital investment expenditures, highways, $60 million, not previously authorized, $60 million, total department, not previously authorized, $60 million. Mr. Dolynny.

**MR. DOLYNNY:** Thank you, Madam Chair. We are faced now with the ultimate go/no go scenario. We knew that was going to happen later today. It’s unfortunate that we are late in the evening now, after a very glorious day in terms of signing of devolution and now we are doing a second major milestone here for the 17th Assembly all within eight hours, so it’s quite a lot to take in for a lot of us. I know many of us are tired and I appreciate everyone here who has some input into this project.

I liken this to no different than if I was a CEO of a company and I had a board of directors who were pitching a project. I would make sure that I would do my due diligence before, as a CEO or Member of this House, offering my blessing, I guess, of a project of this magnitude, given the fact that we’re dealing with still some very unknown variables out there.

I just want to put in a little bit of an earmark of the fact that we have heard today, time and time again, that we are only at 85 percent of the design build, that 15 percent of this highway is still with a question mark. If I was a CEO of a company with a board of directors giving me a pitch of a project of this magnitude, as CEO I would say, really I have to make a decision with a 15 percent variable in it. It’s a lot of faith that you’re putting into that person to have to make a decision with a lot of, I guess, so-called unknown variables to move forward with.

We have also been led to believe from the get-go of this project of the federal commitment to the project, and we are very thankful for that. We continue hearing 75/25 throughout the whole project. That was echoed loud and clear, not only from the Minister of Finance, but the Minister of Transportation, that we would not proceed until there was a definite 75/25 split. We found out from today if we add the pre-work, and if my calculations are correct, we are in it for 35.7 percent given the fact that we have to add the pre-work in there and the fed’s commitment at 64.3 percent. It’s very clear that we are quite a bit different from this so-called 75/25. That definitely translates… That 10 percent variance or 10.7 variance truly means that we have an extra $33.3 million that we are actually holding the bag on that changed in a matter of hours. This 75/25 changed within hours of a $30 million more commitment to the taxpayer on this project.

What really concerns me, as someone who has done major construction building in my past, that when we look at a project of this magnitude, we tend to or government tends to layer components out of the whole asset or total asset cost of a project. For example, if we’re doing work on a building or whatever, remediation work or tear-down work, doesn’t necessarily add to a total project cost at which time the total cost then becomes minimized or marginalized to which it should be.

I’m saying that because we can’t forget about all of work that went into this project. There was $12 million worth of work. We are led to believe that that $12 million of due diligence is just, as the department indicates, due diligence. It’s totally unfortunate that we can’t capitalize that as a whole asset of this whole project. I say that with conviction, because if we don’t capitalize this, we have many hundreds of kilometres of road left to build. If every hundred kilometre segment of this road is out of the same pretence of due diligence work that is 100 percent on the taxpayers’ shoulders and we can’t capitalize that and we can’t do any type of cost sharing with the federal government, those millions of dollars will add up over time. We have I would say probably over another thousand kilometres-plus of road to construct and I’m very concerned.

I can tell you, if I add it all up, this government has made it extremely, extremely hard to support this. They should have made it easier to support it.

As I said earlier, I applaud the work of the people up in the Beaufort-Delta. I applaud the work of the IRC. I applaud them. They are very well organized. They have done their homework. They have lobbied very well. They have bent the ear of the federal counterparts. They deserve our admiration for being a workhorse towards this project. I say that with conviction. I can’t say the same for this government.

We had an opportunity to lead by example, to work in conjunction, in partnership. We keep hearing this all the time, to work in partners. We did not do our job, in my humble opinion. We could have done a better job. We could have done a better job communicating this project all the way through. We did not need to leave to the 11th hour, information that the public should have had access to, as we heard from some of my colleagues, so that we could do a proper, informed decision. For that I’m very disappointed; very, very disappointed. This government had the means, had the knowledge and had the willpower. They chose not to or they were very selective to what was given or what was not given.

That actually works against the consensus style of government. By not sharing and not coming forward with information on a timely basis, a divide occurs amongst the membership in all aspects of this House. There was no need to pit Member versus Member. There was no need to pit rural and remote and urban. There was no need for that. But by not doing what I consider the job of government, that’s exactly what we did. We pitted each other on this project and we didn’t need to do that at all.

I hope that this project has taught us something. I say “we” because I’m part of it. I hope this project taught us humility. I hope this project taught us how not to do things the next time a large project comes on the table, and I’m hoping I’m here for that. Causing this divide amongst us was very unfortunate. I don’t believe it was our finest hour in politics. I don’t believe it was our finest hour in our large capital projects that this government has undertaken over the years that it has.

As I said earlier, I supported this project from the get-go. I questioned its math. All I asked was the math be transparent. I asked for the risk to be put on the table. I stand by that conviction as I do today, as I did yesterday, and as I did almost 16 months ago as a Member coming into this Assembly.

I will be supporting this project, but I can tell you this, I hope government is listening, I hope the department is listening, I hope the Ministers are listening. I know the Premier is listening because he’s looking at me. Thank you, that’s all I’m asking. So thank you very much, committee. Thank you very much Members. Thank you to the people up in the gallery here from Inuvialuit. We can do better next time, folks. Thank you.

**CHAIRPERSON (Ms. Bisaro):** Thank you, Mr. Dolynny. Committee, we’re on page 5 of the tabled document, 2013-14, Supplementary Appropriation No. 1, (Infrastructure Expenditures), Transportation, capital investment expenditures, highways, not previously authorized, $60 million, total department not previously authorized, $60 million.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Ms. Bisaro):** Thank you, committee. Does committee agree that we have concluded consideration of Tabled Document 50-17(4), Supplementary Estimates (Infrastructure Expenditures), No. 1, 2013-14?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Ms. Bisaro):** Thank you, committee. Mr. Menicoche.

---Applause

## COMMITTEE MOTION 20-17(4): CONCURRENCE OF SUPPLEMENTARY ESTIMATES (INFRASTRUCTURE EXPENDITURES), NO. 1, 2013-2014, CARRIED

**MR. MENICOCHE:** Madam Chair, I move that consideration of Tabled Document 50-17(4), Supplementary Estimates (Infrastructure Expenditures), No. 1, 2013-2014, be now concluded and that Tabled Document 50-17(4) be reported and recommended as ready for further consideration in formal session through the form of an appropriation bill. Thank you, Madam Chair.

---Carried

**CHAIRPERSON (Ms. Bisaro):** Mr. Menicoche, what is the wish of committee?

**MR. MENICOCHE:** Thank you, Madam Chair, I move that we report progress.

---Carried

**CHAIRPERSON (Ms. Bisaro):** I will rise and report progress.

# Report of the Committee of the Whole

**MR. SPEAKER:** Report of Committee of the Whole, Madam Chair.

**MS. BISARO:** Thank you, Mr. Speaker. Mr. Speaker, your committee has been considering Tabled Document 49-17(4), Supplementary Estimates (Infrastructure Expenditures), No. 3, 2012-2013; and Tabled Document 50-17(4), Supplementary Estimates (Infrastructure Expenditures), No. 1, 2013-2014, and would like to report progress with two motions being adopted, and that consideration of Tabled Document 49-17(4) and Tabled Document 50-17(4) is concluded, and that the House concur in those estimates and that appropriation bills to be based thereon be introduced without delay. Mr. Speaker, I move that the report of Committee of the Whole be concurred with.

**MR. SPEAKER:** Thank you, Ms. Bisaro. A motion is on the floor. Do we have a seconder? The seconder is Mr. R.C. McLeod.

---Carried

Item 22, third reading of bills. Mr. Miltenberger.

# Third Reading of Bills

## BILL 4: APPROPRIATION ACT (OPERATIONS EXPENDITURES), 2013-2014

**HON. MICHAEL MILTENBERGER:** Mr. Speaker, I move, seconded by the honourable Member for Yellowknife South, that Bill 4, Appropriation Act (Operations Expenditures), 2013-2014, be read for the third time.

**MR. SPEAKER:** Bill 4 has been read for the third time.

---Carried

**MR. SPEAKER:** Mr. Clerk, will you ascertain if the Commissioner of the Northwest Territories, the Honourable George L. Tuccaro, is prepared to enter the Chamber to assent to bills.

## ASSENT TO BILLS

**COMMISSIONER OF THE NORTHWEST TERRITORIES (Hon. George Tuccaro):** Please be seated. It’s been a long day.

---Laughter

Mr. Speaker and Members of the Legislative Assembly, good evening.

As Commissioner of the Northwest Territories, I am pleased to assent to the following bill:

* Bill 4, Appropriation Act (Operations Expenditures), 2013-2014.

During this session the Government of the Northwest Territories will be introducing the following bill for consideration by the House:

* Supplementary Appropriation Act (Operations Expenditures), No. 1, 2013-2014.

The government considers this bill essential to the good conduct of government business and, as such, I recommend its passage. Thank you, merci beaucoup, mahsi cho, quanani, koana.

**MR. SPEAKER:** Mr. Clerk, orders of the day.

# Orders of the Day

**CLERK OF THE HOUSE (Mr. Mercer):** Orders of the day for Tuesday, March 12, 2013, 1:30 p.m.:

1. Prayer
2. Ministers’ Statements
3. Members’ Statements
4. Returns to Oral Questions
5. Recognition of Visitors in the Gallery
6. Acknowledgements
7. Oral Questions
8. Written Questions
9. Returns to Written Questions
10. Replies to Opening Address
11. Petitions
12. Reports of Standing and Special Committees
13. Reports of Committees on the Review of Bills
14. Tabling of Documents
15. Notices of Motion
16. Notices of Motion for First Reading of Bills
17. Motions

* Motion 8-17(4), Secondary Diamond Industry

1. First Reading of Bills
2. Second Reading of Bills
3. Consideration in Committee of the Whole of Bills and Other Matters

* Bill 1, Tlicho Statutes Amendment Act
* Bill 2, An Act to Amend the Territorial Parks Act
* Committee Report 1-17(4), Report on the Review of the 2011-2012 Northwest Territories Human Rights Commission Annual Report
* Tabled Document 43-17(4), Supplementary Estimates (Infrastructure Expenditures), No. 4, 2011-2012
* Tabled Document 44-17(4), Supplementary Estimates (Operations Expenditures), No. 4, 2011-2012
* Tabled Document 45-17(4), Supplementary Estimates (Operations Expenditures), No. 3, 2012-2013

1. Report of Committee of the Whole
2. Third Reading of Bills
3. Orders of the Day

**MR. SPEAKER:** Thank you, Mr. Clerk. Accordingly, this House stands adjourned until Tuesday, March 12th, at 1:30 p.m.

---ADJOURNMENT

The House adjourned at 8:36 p.m.