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JAN 11 2017

**OQ 255-18(2) Status of Mackenzie Valley Highway Business Case**

This letter is in follow-up to the Oral Question you raised on June 17, 2016 regarding the status of the Mackenzie Valley Highway Business Case. The responses to these questions are below:

1. *Where and when will the Minister share the business case for the Mackenzie Valley Highway?*

The business case is available on the Department of Transportation's (DOT) website and can be found at <http://www.dot.gov.nt.ca/Documents>.

2. *Can the Minister share the Macroeconomic Policy Framework Lens: Application to the Fortune Minerals Tlicho Road.*

The *Northwest Territories (NWT) Finance 2014: Macroeconomic Policy Framework Lens: Application to the Fortune Minerals Limited Tlicho Road Request for the NICO Project* (MPF Lens Analysis) that was referenced in the Nichols Economic Evaluation was background material provided to Nichols consultants by DOT as input information to give them an understanding of the DOT's expectations for the type of information that needed to be included in the final report to appropriately answer the Government of the Northwest Territories' Macroeconomic Policy Framework lens questions (<http://www.fin.gov.nt.ca/sites/default/files/documents/macroeconomicpolicyframeworkaugust2007.pdf>).

Although the Nichols Report implies that the NWT Finance MPF Lens Analysis was a completed document, this is not the case. The MPF Lens Analysis was never finalized. It should also be noted that the scope of the proposed road project changed substantially. The project considered in the draft MPF Lens Analysis was very different from the road to the community of Whati that is currently proposed. The Nichols Report was the economic analysis for the

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proposed road to Whati. The information contained in Finance's internal draft document was based on technical and financial information prepared in 2012 by Fortune Minerals and road construction costs for a selected route by DOT that has since changed significantly.

Information in the draft MPF Lens Analysis is not relevant to the Whati road project that is currently being proposed, and given the subsequent four years' worth of commodity market and global finance changes, the information would now be misleading. Releasing the draft summary information may negatively affect efforts by Fortune Minerals Limited when approaching the financial markets for investment funds with their updated engineering and commodity outlook analysis. Given these considerations, the draft MPF Lens Analysis is not available for circulation.

Thank you.



Wally Schumann  
Minister of Transportation

- c. Clerk of the Legislative Assembly  
Legislative Coordinator, Executive