



SEP 26 2016

MR. RJ SIMPSON
MLA, HAY RIVER NORTH

Oral Question: 252-18(2)
Impacts Associated with Northern Transportation Company Limited

During the June 17, 2016 sitting of the Legislative Assembly, the Minister of Municipal and Community Affairs (MACA) committed to obtaining a breakdown of the types of Government of the Northwest Territories (GNWT) owned land occupied by the Northern Transportation Company Limited (NTCL).

NTCL has a combination of titled, untenured and leased properties in the Hay River area that will be dealt with through the process identified under the *Companies' Creditor Arrangements Act (CCAA)*. Through this process, the courts have appointed a monitor (Price Waterhouse Coopers) who will assist the company in a Sales Investment Solicitation Process which may result in the sale of company assets, including leases.

I can confirm there are eight leases within municipal boundaries with the GNWT on Territorial parcels in Hay River. Commissioner's land parcels are leased to the town of Hay River as the head lessee and then subleased to NTCL. There are 12 subleased Commissioner's parcels within the town of Hay River.


If a purchaser is found for these leases through the CCA Sales Investment Solicitation Process, it is anticipated that the courts will include direction to transfer the lease to the new interested party with the same terms and conditions that are in the existing lease. If the leases are not sold, the land would revert to the GNWT as owner.

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If NTCL is forced into bankruptcy or voluntarily places itself into bankruptcy, then the *Bankruptcy and Insolvency Act (BIA)* will apply. In such a situation, NTCL's land held in fee simple may be subject to sale and the proceeds distributed to creditors.

The Department of Lands will be assessing the leases and monitoring the situation closely. This is considered an "insolvency event" under the Devolution Agreement, which outlines responsibilities for both Canada and the GNWT in these situations.

Thank you for raising this important issue.


Caroline Cochrane
Minister of Municipal and
Community Affairs

c. Honourable Louis Sebert
Minister of Lands

Mr. Tim Mercer
Clerk of the Legislative Assembly

Mr. David Hastings
Legislative Coordinator
Department of the Executive