

TABLED DOCUMENT NO. - 25-90(1) TABLED ON FEB 21 1990

Bill Hughes
Arctic Bay
February 21st, 1990

Ludy Pudluk -
M . L . A .
for the
Eastern Arctic.
Fax 403 920 4735

Dear Ludy,

As per our telephone conversation of last evening:

My application for a grant under the E.D.A. Small Business Sub Agreement was not approved. The committee determined I was making too much money. \$50,000. per annum. The vehicle I planned to purchase costs \$45,000. I requested a grant of \$13,500.

My application was supported by the Area Economic Development Officer and the Regional Superintendent of Economic Development.

My concern is that the people who are making decisions concerning the Eastern Arctic are from the West and living in Yellowknife, some of whom are high paid government officials who don't understand the cost of doing business in the Eastern Arctic, for example an item that costs \$1.00 on the Highway System costs \$1.79 in North Baffin.

All of this raises the question of how much E.D.A. money is going to the Western Arctic and how much is going to the Eastern Arctic, also should changes be made in the management group!

Your's Truly



W. J. Hughes
High Arctic Transportation
Services.

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Yellowknife, N.W.T.



Northwest
Territories Baffin Region
**ECONOMIC DEVELOPMENT
& TOURISM**
File #: EDA/R-90-1

February 13, 1990

Bill Hughs
General Delivery
Arctic Bay, N.W.T.
XOA OAO

Dear Bill,

EDA Submission
High Arctic Transportation Services

As outlined by telephone February 9th, the EDA management group has not approved your application for \$13,500 in funding under the small business development subagreement of EDA.

The committee felt the application did not meet program criteria. They were concerned that no new jobs would be created in replacing your parcel delivery van. They felt your earnings were sufficient to allow for the replacement of the vehicle independent of government assistance. They also felt you could pay for the vehicle without straining your cash reserves for the upcoming year.

It is unfortunate Bill that the committee rejected your application. If they had met in Arctic Bay and shopped for groceries at the local store, perhaps they would have a better perspective on the true value of \$50,000 in Arctic Bay. Ideally, their interpretation of the eligibility criteria "business modernization" may have been more flexible.

Obviously this did not happen. The result is that you will finance the vehicle independently. The impact on your family is that your daughter may have to forgo schooling in the south for one year.

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It was our understanding that the application would receive serious consideration in Yellowknife. It is for this reason, Adla Itorcheak spent many hours preparing financial data and the application for submission to the Secretariat. My apologies for not encouraging you to think otherwise.

We are rerouting your application to the Contribution Review Panel Committee. We will be requesting the \$13,500 in funding EDA turned down. It will likely be six weeks before we can advise you of the outcome.

In the interim, you may want to write to the management group outlining your disagreement with their analysis. I think it is important that they are aware of the full implications of their decisions. Perhaps they will consider your concerns when developing future program guidelines.

Feel free to contact the office should you wish to discuss this issue further.

Regards,

Beth Carmichael
Assistant Superintendent

cc Management Group
Small Business Subagreement
Attention: Altaf Lakhani

BC/jh