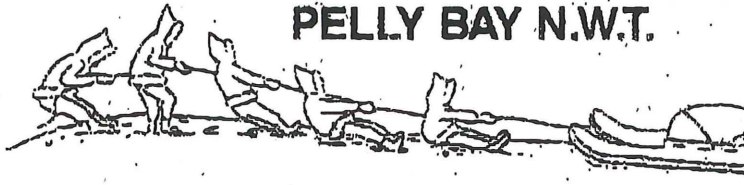


ΔΔΔ ԵՅԻԵՈՐՅ  
**KOOMIUT CO-OPERATIVE ASSOCIATION LTD.**  
**PELLY BAY N.W.T.**



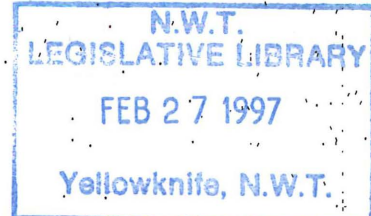
NWT LEGISLATIVE LIBRARY



3 1936 00045 639 0

February 24, 1997

Mr. John Ningark, M.L.A.  
 Natilikmiot,  
 Legislative Assembly,  
 Government of the North West Territories  
 Yellowknife, Nt.



**RE: ANNUAL SEALIFT FREIGHT CHARGES -- PELLY BAY**

Although we have received assurances that our community would have sealift freight charges comparable to those of our neighbouring community of Taloyoak, this has not been the case.

After the past two sealifts we have shown the disadvantage our community bears, when freight charges are compared. There was some movement to narrow the gap for the 1996 season. However and although we provided actual invoice copies to show the variance, the charges incurred continue to put the families in Pelly Bay at a major disadvantage.

Before the past two shipping seasons we were given indication that this discrepancy would be addressed and rectified. We are now at the point where commitments must be made with our suppliers for the 1997 shipping season. To date there has been no indication that the parity promise made by our government is meaningful.

To assure there is no doubt of this disparity we have summarized the total grocery shipment. This will show the impact of cubing, which is a major point raised with Public Works officials in 1996. It will also indicate our billing is by gross weight, (the crating weight is included) and the average cost per gross pound including crating and water shipment. We are also able to include the latest, (1996) invoices copies to verify the road and water rates charged in the community of Taloyoak. It shows that the net product weight is invoiced. (Container weight is 5200 pounds.)

	TALOYCAK	PELLY BAY	
Road freight	.0649	.012	}-.0529
Container		Crating .09	})+.09
Water Rate	.3037	.3890	})+.0853
Gross vs Net factor		.027	})+.027
Local handling variance		.015	})+.015
	<u>.37</u>	<u>.533</u>	(.163 per lb. variance)

There are additional charges that both communities incur. These include insurance, service fees and local handling. These are comparable costs and are not at issue. However it must be noted that in the case of the latter expense the merchandise is delivered to the door in Taloycaak but only to the shore in Pelly Bay.

The total weight shipped for the 1996 sea supply was 373,038 lbs. With the disadvantaged rates' differential this amounts to a \$60,805.00 separation from the parity promise for 1996 alone.

It is understood that savings are being realized for the sea shipping of fuel. We ask the question through you. Should economies in shipping not first be reflected in the food costs for the families in our community?

It is hoped that with your intervention this serious community issue may be quickly addressed and resolved. It should be noted as well that the majority of our commitments for the 1997 season must be made before March fourteenth.

We look forward to your early reply.

Sincerely,

Erno Qavvik,

President, Board of Directors, Koomiut Cooperative Association  
cc: Ovide Alakamuark, Mayor  
Hamlet of Pelly Bay