



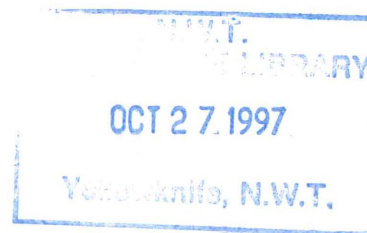
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Manitoba Chamber of Commerce

TABLED DOCUMENT NO. 8 - 1 3 (5) Tabled ON OCT 24 1997

October 23, 1997

Hon L Derkach
Minister of Rural Development
Legislative Building
450 Broadway
Winnipeg, Manitoba



Dear Minister Derkach

Re: Keewatin Re Supply

I would like to take this opportunity to pass along some information on developments on the Keewatin Re Supply. Some of this information you may already have seen.

There seems to be some issue concerning activities underway in the Keewatin Region regarding fuel supplies, which would appear to go against the M.O.U. jointly signed between the Manitoba and N.W.T. governments

In the M.O.U. the Province of Manitoba has with the N.W.T. Government in essence has agreed to jointly work on projects to promote and develop social and economic plans to benefit both parties.

The N.W.T. Government's Minister of Public Works Hon. Goo Arlooktoo has announced the embarkment by the N.W.T. government on a plan to construct fuel delivery pipeline at Chesterfield Inlet, Coral Harbour Arviat & Rankin Inlet. In fact their first meeting on this issue is planned for November 4, 1997 in Rankin Inlet. Preliminary information I have been provided is the project would cost in the neighbourhood of 20 million dollars. This includes 6 to 8 million dollars for pipelines and 8 to 10 million dollars to install additional fuel storage in each Community.

If this was to occur, it would appear the tank farm in Churchill will not be required as a source for fuel supply. Their plans are for shipping the fuel direct from off shore sources.

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As is outlined in the attached documents, this would then result in the dry goods having to be shipped by other means than barging out of Churchill thus eliminating Manitoba business from being able to compete economically. I am advised that the barging costs without the fuel would be too expensive to compete with shipping from Montreal.

There are many questions on this project which need answers. The Federal Government is in the process of spending millions of dollars to set up Omni Trax Rail, and the Churchill Port facilities so privatization can proceed to make Churchill a viable operation. Now they are proposing to spend millions of dollars to take away a significant portion of business from the Port. This change, if implemented, would also render all the provincial governments our efforts to identify business opportunities for Manitoba Business as redundant, due to the fact that the costs to ship through Churchill will be uncompetitive.

The timing of this announcement from all reports seems to have caught the Keewatin business community by surprise. I understand there is also an investigation of activities on the Keewatin region elected officials.

We are requesting your staff to contact the Federal and N.W.T. Governments to see what their intentions are and work with them on continuing to use the Churchill Port and the spirit of the M.O.U.

Attached is correspondence and information I have received from N.W.T. Businesses and the Keewatin Chamber on this issue. You will note the local business, Chamber and Community Councils appear to be opposed to this plan at this time.

We see this as a window of opportunity to make inroads with the Keewatin Region Businesses and municipal government in developing stronger trade links with the region. We are in contact with the Keewatin Chamber to gather additional information on this situation.

The Manitoba Chamber of Commerce is continuing to work with our transportation members in putting together a plan to promote Manitoba Business to the Keewatin commencing late this fall.

I look forward to hearing from you and your staff on this issue.

Yours Sincerely,

W.J. Wilson
Northern Regional V.P.
Manitoba Chamber of Commerce

c: Hon. David Newman - Minister of Northern Affairs