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The Honourable Paul Delorey, Speaker

Legislative Assembly of the Northwest Territories

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YELLOWKNIFE, NORTHWEST TERRITORIES**Tuesday, March 23, 2010****Members Present**

Mr. Abernethy, Mr. Beaulieu, Ms. Bisaro, Mr. Bromley, Hon. Paul Delorey, Mrs. Groenewegen, Mr. Hawkins, Mr. Jacobson, Mr. Krutko, Hon. Jackson Lafferty, Hon. Sandy Lee, Hon. Bob McLeod, Hon. Michael McLeod, Hon. Robert McLeod, Mr. Menicoche, Mr. Ramsay, Hon. Floyd Roland, Mr. Yakeleya

The House met at 1:40 p.m.

Prayer

---Prayer

SPEAKER (Hon. Paul Delorey): Good afternoon, colleagues. Welcome back to the Chamber. Colleagues, notwithstanding the extended adjournment of the House to May 11, 2010, I was asked by the Premier, on behalf of the Executive Council, to convene a sitting of this House to commence today, Tuesday, March 23, 2010. The Premier advised me in a letter dated March 4, 2010, that the government was requesting this sitting of the Assembly to allow for the consideration of important financial matters which must be dealt with prior to the May 11th sitting.

Our rules do not specifically address the recalling of the House during an adjournment, so I turned to the House of Commons Procedures and Practices, Second Edition, 2009, for direction. Accordingly, Members, I sent a message to each of you advising the request and asked any Members who objected or who were unable to attend this sitting to contact me. I did not hear from any Members who objected or were unable to attend. I then advised the Clerk of the Legislative Assembly, in a letter dated March 8, 2010, that I would be convening a sitting of this Legislative Assembly at 1:30 p.m. on March 23, 2010. I also advised the Clerk that the purpose of the sitting was to consider a supplementary appropriation bill. At the appropriate time, colleagues, I will table the letter which was received from the Premier, on behalf of the Executive Council, concerning this recall.

Colleagues, it is now my duty to advise the House that I have received the following message from the Commissioner of the Northwest Territories and it reads:

Dear Mr. Speaker, I wish to advise that I recommend to the Legislative Assembly of the Northwest Territories the passage of Supplementary Appropriation Act (Infrastructure Expenditures), No. 2, 2010-2011, during the Fifth Session of the 16th Legislative Assembly. Yours truly, Anthony W.J. Whitford, Commissioner.

Orders of the day. Item 2, Ministers' statements. The honourable Minister of Transportation, Mr. Michael McLeod.

Ministers' Statements

MINISTER'S STATEMENT 13-16(5):
DEH CHO BRIDGE PROJECT

HON. MICHAEL MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, I would like to provide Members and the public with an update on the status of construction on the Deh Cho Bridge Project.

This project has had its share of challenges, but these challenges have been effectively addressed. As a result, I am pleased to note that the project is now 50 percent complete, with the recent completion of the foundation work. The bridge contractor, Ruskin Construction, has completed installing the pier bents and is now in the process of removing the temporary bridge. The bridge project is now "out of the water," leaving behind the highest risk component of the entire project.

We have a reviewed and approved design of the bridge superstructure. This cable-stayed bridge, which has been designed to accommodate barging traffic on the river, will be impressive once constructed. It will provide a clearance of 23 metres for river traffic, with towers that will reach over 45 metres in the air. The new design is also more conventional, simpler to construct and at a more reasonable price. The new design will ensure that the bridge will serve us well for its entire expected lifespan of 75 years.

This project is on track for completion by November of 2011, one year later than originally planned. We now have a general contractor, Ruskin Construction, who has teamed up with capable subcontractors to complete the bridge construction over the next 20 months. Work on the bridge superstructure is already underway, with the purchase of the steel and the production of the shop drawings for fabrication of the truss and deck. This summer the contractor will complete the construction of the abutments for both approaches, and this fall the contractor will begin to launch the truss itself.

We also have a new project management team in place, led by Associated Engineering. This team is already on site working to ensure an orderly transition for engineering oversight of the construction.

The Government of the Northwest Territories and our partner, the Deh Cho Bridge Corporation, have risen above the challenges with which we have been presented. I want to take this opportunity to acknowledge the community of Fort Providence for their dream of constructing this bridge. Without their determination it is doubtful that this project would be entering the final phase of construction. While there have been challenges on this project, we all look forward to the economic development opportunities that will come from the bridge. I am optimistic that we can successfully define a new partnership arrangement with the community as we move forward.

The benefits of construction of this bridge have been outlined on many occasions in the past. It was these benefits that resulted in the support for proceeding with this project from my colleagues in this House and I thank you for that support. These benefits include all-weather road access to and from the North Slave region 24 hours per day, 365 days of the year. The bridge will result in economic benefits to the NWT from more efficient trucking operations and more reliability in deliveries for businesses. More competition can also be expected as the risks associated with freight transportation over a ferry and ice crossing system is reduced. And let us not forget the environmental and safety risks. The risk of fuel spills will be substantially reduced once a permanent bridge is in place. Idling vehicles waiting for the ferry will also be a thing of the past. The need for approximately half a million litres of fuel currently being used by the Merv Hardie will be eliminated.

We are looking to the future of the Deh Cho Bridge Project with a great deal of confidence. A key piece of infrastructure will be put in place without sacrificing the financial future of the NWT. The completion of the bridge will be a significant achievement for the government and people of the Northwest Territories. In less than two years this will be a reality.

MR. SPEAKER: Thank you, Mr. McLeod. The honourable Premier, Mr. Roland.

MINISTER'S STATEMENT 14-16(5):

DEH CHO BRIDGE – FISCAL IMPLICATIONS

HON. FLOYD ROLAND: Thank you, Mr. Speaker. I would like to take this opportunity to inform Members and NWT residents about the fiscal implications of the recent developments surrounding the Deh Cho Bridge Project.

Later today I will be tabling a supplementary appropriation estimates that will request the necessary authority for the GNWT to assume and administer the assets of the Deh Cho Bridge Project. The GNWT is also taking steps to assume the debt of the Deh Cho Bridge Corporation, totalling \$165 million.

First, I want to assure Members and the public that assuming responsibility for the Deh Cho Bridge Project will not change the GNWT's fiscal situation or the GNWT's ability to pay for programs and services. The GNWT has always stood behind the project and is already committed to the payments needed to service this debt. Payments to meet the interest and principal obligations have been planned for and represent less than 1 percent of GNWT revenues. The bridge will be financed by the savings from the elimination of the current ferry and ice bridge operations and a toll on commercial vehicles crossing the bridge. The need for a GNWT contribution of approximately \$2 million per year has also been planned for and factored into the costs.

Second, the request for appropriation authority is not a request for additional money for the bridge project. The projected cost of the project will be met from the \$165 million already committed by the lenders plus the \$15 million approved by the Legislative Assembly in February. The legislation we will be introducing will allow the funds to flow through the GNWT and be spent in accordance with the Financial Administration Act.

Third, assuming the project debt will not require the GNWT to take drastic fiscal measures to avoid hitting the debt wall.

With over \$300 million in unused borrowing room as of April 1, 2010, taking on the \$165 million debt associated with the project will not immediately cause the GNWT to exceed its borrowing limit. More importantly, federal Finance Minister Flaherty has agreed to work with us to accommodate the possibility that our medium-term borrowing needs could exceed the current limit by temporarily adjusting the borrowing limit.

We are currently in discussions with Minister Flaherty on the specifics of this accommodation. Minister Flaherty is taking steps to seek the appropriate federal Cabinet approvals for this temporary adjustment well before the GNWT could reach our current borrowing limit.

This accommodation will give us the room to implement the fiscal strategy already set out in the budget presented in January. One that will, through tight control over spending and a return to historical levels of capital investment, return to a sustainable fiscal path over the medium term.

We do not expect our Aa1 credit rating will be affected by assuming the debt. Moody's Investors

Service has already factored our obligation to support the debt into our credit assessments.

Mr. Speaker, I want to assure those listening today that this government is committed to the Deh Cho Bridge Project. We will continue to ensure the project is completed in a fiscally responsible manner. We have taken, and will continue to take, the measures needed to make this important NWT infrastructure project a success. Thank you.

MR. SPEAKER: Thank you, Mr. Roland. The honourable Premier, Mr. Roland.

MINISTER'S STATEMENT 15-16(5):
MINISTERS ABSENT FROM THE HOUSE

HON. FLOYD ROLAND: Thank you, Mr. Speaker. I wish to advise Members that the Honourable Robert C. McLeod will be absent from the House today to attend the Northern Housing Forum in Inuvik.

I also wish to advise Members that the Honourable Michael Miltenberger will be absent from the House for the remainder of the week to attend to a personal family matter. Thank you.

MR. SPEAKER: Thank you, Mr. Roland. Item 3, Members' statements. The honourable Member for Nahendeh, Mr. Menicoche.

Members' Statements

MEMBER'S STATEMENT ON
DEH CHO BRIDGE PROJECT

MR. MENICOCHÉ: Mr. Speaker... [English translation not provided.]

Thank you, Mr. Speaker. This week Members have been called back to consider legislation to establish the necessary authority that will provide for the GNWT to administer the completion of the Deh Cho Bridge. I spoke in the House in February to point out that Nahendeh people don't want to see any more over-expenditures on this project. As taxpayers, they do not want to be left to pay for the cost overruns. I trust that, as Minister Michael McLeod advised in response to my questions in February, over-expenditures will eventually be offset by the revenues collected by toll fees.

Mr. Speaker, the vision we have for the Deh Cho Bridge is partly a symbolic one. The bridge is a link to the rest of Canada, and if we build a bridge across the Mackenzie, my vision is an improved highway to the rest of the Deh Cho and the Nahendeh will come.

I do support the government's recent decision to take over the project and see it to completion. I have been asked to be vigilant over our management of the Deh Cho Bridge. My residents do want to see its completion, but do not want to

see any more delays and increased costs paid by our tax dollars.

Minister McLeod earlier advised that the government was looking at providing signage on the highway and a website to keep the public informed of the progress on the bridge construction. I believe that this will be of interest to NWT residents and I look forward to seeing Northerners being informed on this major project. It is important that the remainder of the project goes smoothly in order to keep costs of both construction and borrowing in line. Residents have never been asked to carry the cost of this bridge, and they are not prepared to do so, Mr. Speaker. Mahsi cho.

MR. SPEAKER: Thank you, Mr. Menicoche. The honourable Member for Tu Nedhe, Mr. Beaulieu.

MEMBER'S STATEMENT ON
APPLICATION OF GNWT POLICIES ON
SENIORS RESIDING WITH EXTENDED FAMILY

MR. BEAULIEU: Mahsi cho, Mr. Speaker. [English translation not provided.]

Mr. Speaker, today I wish to talk about elders in Fort Resolution and Lutselk'e that have their adult children and adult grandchildren living with them. In a lot of cases these children are providing a service to the elders in the area of health care, home care and other basic services elders are no longer able to do.

Mr. Speaker, because of the support provided by the elders' grandchildren and children, it essentially absolves the GNWT of their responsibilities. Many of these services, even things as simple as taking medication, are menial but cannot be done by the elder. Mr. Speaker, the costs associated with elders living at home to the GNWT can be fairly substantial. However, many of these costs can be averted by making it feasible for the adult children or grandchild to live with the elder.

Mr. Speaker, currently the GNWT has policies insofar as fuel subsidies, land leases and land tax exemptions for elders based on household income. If a live-in child has any sort of income at all, the elder will lose their fuel subsidy or will lose their lease or tax exemption.

Mr. Speaker, this simply does not work in Fort Resolution and Lutselk'e. With employment rates hovering around 40 percent in these communities, Mr. Speaker, a person cannot afford to refuse work that is available. But in doing so, the elder is at risk of losing their government support.

Mr. Speaker, there are a number of simple real scenarios that can happen where the live-in adult or adult child or grandchild takes on some sort of short-term employment. They do this to better their situation and includes bettering the situation of an elder as well. However, Mr. Speaker, doing this

negatively impacts the GNWT benefits of the elder and is something that needs to be reviewed.

Mr. Speaker, with the current policies, the GNWT seems to promote a lower standard of living for elders in their own homes. Mr. Speaker, later today I will ask questions of the Minister of Education, Culture and Employment as it pertains to the seniors programs. Thank you.

MR. SPEAKER: Thank you, Mr. Beaulieu. The honourable Member for Kam Lake, Mr. Ramsay.

MEMBER'S STATEMENT ON DEH CHO BRIDGE PROJECT

MR. RAMSAY: Thank you, Mr. Speaker. My colleagues, especially the Premier and Minister of Transportation, are well aware of my questions of the Deh Cho Bridge Project at every turn since becoming a Member of this House in 2003. Mr. Speaker, as much as it might pain some people in this building, I am going to continue to question the project over the course of this special sitting of the House.

Mr. Speaker, during this sitting, I will be seeking clarification on a number of issues. The first is what exactly we have committed to as a government with Ruskin for the remaining work on the project. I want to know specifically when the contracts were signed and by whom they were signed. When were milestones reached on negotiations for the notice to award and the intent to award and the notice to proceed? What currently is the Government of the Northwest Territories' legal authority over these contracts and can we avoid taking on the responsibility that these contracts entail?

Mr. Speaker, my belief is we continue to compound bad decisions with more bad decisions. If we are to take this project on lock, stock and barrel, then work should be stopped on this project. A complete and thorough audit has to be done of the work performed by the Deh Cho Bridge Corporation and contractors who have worked on this project. Before we rush into spending almost \$100 million more, should we not take complete stock of where we have been and get assurances that the construction to date is of a quality and standard that would warrant us spending additional money? This seems only logical to me.

Why then have we rushed into and negotiated a sole-source contract when we know full well that others would have submitted bids? If we went to tender, perhaps even Ruskin may have gotten the bid.

Don't we have an obligation to the taxpayers and the public to manage the public purse? I am left wondering why was the government so intent on a sole-source deal with Ruskin. It would seem to me that perhaps it was the easy way out. Ruskin was owed money. They are familiar with the project and

they know, Mr. Speaker, in which closets the skeletons are hung. The government would not have to answer questions from a new contractor.

Mr. Speaker, I have not wavered from my belief that the Deh Cho Bridge Project has got to be seen through to its completion. Given the history of the project, I just want to make sure that good...

MR. SPEAKER: Mr. Ramsay, your time for your Member's statement has expired.

MR. RAMSAY: Mr. Speaker, I seek unanimous consent to conclude my statement.

---Unanimous consent granted.

MR. RAMSAY: Mr. Speaker, I just want to make sure that good sound decisions are being made on this project. I have always believed that if you are going to do anything, you have to make sure that you are doing it right. Mr. Speaker, this is something that I live by and I am going to hold the government to account on this project. Thank you.

MR. SPEAKER: Thank you, Mr. Ramsay. The honourable Member for Weledeh, Mr. Bromley.

MEMBER'S STATEMENT ON STRENGTHENING ABORIGINAL LANGUAGES

MR. BROMLEY: Mahsi, Mr. Speaker. In honour of Aboriginal Languages Month I raise a few issues regarding not just a preservation but the growth and development in youth of aboriginal languages.

I met recently with two of my constituents and the Minister of ECE. The Minister reacted very positively to suggestions that are now being considered for action. The first major issue is the timely ability to get training of professional interpreters and translators. An interpreter/translator course is offered by Aurora College, but only two course credits are available each year. Because the full course complement is 20 credits, 10 years are needed to take all the necessary courses to achieve certification. This is obviously unworkable.

Second is the lack of evaluators with certification to administer certification tests and grant the formal interpreter/translator credential. This problem has been highlighted for more than 10 years in successive aboriginal language studies and reports, but no action has been taken to ensure that once people get the necessary education they can go on to be granted certification.

Combine the two factors, a 10-year course timetable and no ability to certify the students at the end of 10 years, and we are obviously going to lose a lot of excellent candidates who either won't bother starting a 10-year process, leave at some point over the decade of courses, or never get the certification needed for good jobs.

Some committed people still go into language instruction but they don't get the good pay that only goes to those with credentials; credentials they can't get for lack of a tester. Ultimately, programming suffers because people can't get the training or the certificate.

Another issue is the allocation and distribution of funding for local language development programming. Effective relevant language programs must be delivered at the individual community level to take advantage of local elders who are the best speakers, to ensure the nuances of the local dialect are honoured and because the best programming will be based in the local culture. Currently, funding is distributed on a regional basis for redistribution to individual communities. There have been problems with the redistribution coming too late in the fiscal year to be used. There has even been considerable lapsed funding.

Because the program is ultimately delivered at the community level, we need to look at how the department can put the funds directly in the hands of the communities at the beginning of each fiscal year so we get the best value from the scant funds available.

Mr. Speaker, I seek unanimous consent to conclude my statement.

---Unanimous consent granted.

MR. BROMLEY: Briefly, at our recent meeting the Minister took these issues, as I say, very seriously and committed to see how this situation can be improved. I'm grateful for this commitment and look forward to his proposals. Let's all look at what's working and what isn't in our aboriginal language support programs and improve where needed. I look forward to reports of good progress on these issues. Mahsi.

MR. SPEAKER: Thank you, Mr. Bromley. The honourable Member for Frame Lake, Ms. Bisaro.

MEMBER'S STATEMENT ON TIMELY RESPONSE TO CONSTITUENTS' QUESTIONS

MS. BISARO: Thank you, Mr. Speaker. Mr. Speaker, I think NWT residents are, by and large, a patient lot. It's not unusual for me to be contacted by a constituent, and with their first breath be advised that they're not in the habit of contacting an MLA but that they are doing so because they have been pushed far beyond their normal level of patience and understanding. So when this situation occurs, when an individual does contact us and tells us it's not their normal behaviour, I believe they deserve a reply, and quickly.

But such was not the case for one of my constituents, a constituent who e-mailed a concern to the Minister of Health and Social Services and copied me on the message. As the request was to

the Minister, I replied to the constituent and said I would wait for the Minister's reply and after that provide my comments on the concern to him.

Today, Mr. Speaker, some 18 months later, the constituent has never heard from the Minister, the person to whom the e-mail was addressed. Nor has he heard from anyone at the Department of Health and Social Services. To be fair, he was contacted by the hospital regarding some of the specifics of his concern, but there was no response to any of the policy questions or concerns in his e-mail.

That is totally unacceptable, Mr. Speaker. Do our residents mean so little to Ministers that they can't even send a reply that says I have your e-mail, I will look into it? Surely we have enough staff within the GNWT that someone could be tasked with the job of a reply to each and every inquiry that comes to us.

Mr. Speaker, the government and its employees are a public entity and that means responsible to the public, those people who gave us our jobs. Our staff are identified as a public service and they should be providing service to the residents of the NWT.

According to Webster's dictionary, the definition of service is: "work done for others," or "the act of giving assistance to another," or "friendly help." I especially like that last one. My constituent certainly did not get service as a result of his contact with this government, no matter which of those definitions you choose to use. I can only hope that his experience is not the norm, because if it is the norm, Mr. Speaker, it is no wonder that the public's confidence in this government is shattered and in pieces. I will have questions for the Minister of Health and Social Services later on.

MR. SPEAKER: Thank you, Ms. Bisaro. The honourable Member for Great Slave, Mr. Abernethy.

MEMBER'S STATEMENT ON TALTSON HYDRO EXPANSION PROJECT PROPOSED TRANSMISSION LINES

MR. ABERNETHY: Thank you, Mr. Speaker. There has been a significant amount of discussion regarding the Taltson Hydro Expansion Project over the last couple of months. My colleague Mr. Bromley made a clear, concise and reasonable statement on March 3, 2010, encouraging this government to take control of its utilities, the utilities it owns, and start building for the future. I couldn't agree more.

There is merit in the Taltson hydro expansion. The project will provide some short-term economic stimuli during the construction and reduce the burning of diesel in mines and hopefully extend mine life or open up new mining opportunities throughout the North Slave geological region.

As a business and lead in the expansion project, Deze Energy's primary focus is to make money and provide a return to their stakeholders. From a business and profit perspective, there is no question that the route proposed by Deze Energy to the east of Great Slave Lake is definitely the best route for them and their profit margin. However, constructing transmission lines through a new federal park, one of the most beautiful places on Earth and an important traditional location for many aboriginal people from the area, with no clear or concise long-term plan for the sake of short-term profit seems counterproductive to the best interests of the people of the Northwest Territories.

As a government we must think beyond the economic benefits of one company. We must do what is right, what is just, and what is for the public good. As the partners move forward with the expansion, the government, in particular the Premier, must provide leadership to Deze through the NWT Power and NWT Hydro corporations so that the best interests of the people of the Northwest Territories can be taken into consideration and acted upon.

The Premier must ensure that a long-term strategy which addresses the advantages of NWT grids is taken into consideration. The Premier must ensure that redundancies in the provision of electricity through the NWT are taken into consideration. The Premier must ensure that the benefits to the other communities and our residents who live there are taken into consideration. There are alternate routes worth considering which address all of these potential advantages and are in the best interest of the people that we serve.

Unfortunately, these routes may cost a bit more money in the short term and cut into Deze's profits. It won't eliminate their profits, just decrease them a bit. These routes, however, will offer significant long-term benefits to the people of the Northwest Territories without losing any of the practical opportunities presented by the eastern route, such as the creation of short-term employment and the support and reduction of greenhouse gases.

The Premier and Cabinet must do what is right, just, and for the public good, not the good of one company and their bottom line. This government must take control of our utilities...

MR. SPEAKER: Mr. Abernethy, your time for your Member's statement has expired.

MR. ABERNETHY: I seek unanimous consent to conclude my statement.

---Unanimous consent granted.

MR. ABERNETHY: The Premier and Cabinet must do what is right, just, and for the public good, not the good of one company and their bottom line. This government must take control of our utilities

and start building for the future. I will be asking the Premier questions at the appropriate time.

MR. SPEAKER: Thank you, Mr. Abernethy. The honourable Member for Sahtu, Mr. Yakeleya.

MEMBER'S STATEMENT ON
GNWT REFERRAL OF CARIBOU MANAGEMENT
QUESTION TO THE SUPREME COURT

MR. YAKELEYA: Thank you, Mr. Speaker. The decision to refer the question of the GNWT's legal right to impose restrictions on the aboriginal people from the harvesting of caribou is not a good sign of consensus government. Regular Members should have been involved in the decision to refer this matter to the Supreme Court of the Northwest Territories. The legal right of the government to ban aboriginal people from caribou harvesting is a major question. The result of the court hearing could have serious implications not only for the caribou hunt but for the future discussions regarding aboriginal rights and how decisions are made in the Northwest Territories.

Referral to the Supreme Court is extremely rare. There has only been one other incident in the past 15 years in which the Minister of Justice referred to the Supreme Court of the Northwest Territories. The implications of that referral had much less direct impact on the people of the Northwest Territories.

Almost one year ago the Members of the Legislative Assembly reaffirmed our commitment to the principles of consensus government. We agreed, "except under extraordinary circumstances, Members of the Legislative Assembly should be aware of and have the opportunity to discuss significant announcements, changes, consultations or initiatives before they are released to the public or introduced into the Legislative Assembly." Were these principles worth the paper they were written on?

The decision to refer the question about the hunting ban to the Supreme Court should have been discussed with the committee whether the referral to the Supreme Court was the best way to proceed. ENR has since reached an agreement with the Yellowknives Dene First Nation and are working on the details for the community hunt to take place soon. Chief Sangris has also agreed that the Yellowknives Dene First Nation and ENR need to work together on a long-term management plan for the Bathurst caribou.

The questions surrounding the ban on the caribou harvesting are controversial and divisive. We must deal with the issue with as much transparency as possible so that our people have the confidence in their leaders and that we are truly acting in the best interests of the people in the Northwest Territories.

MR. SPEAKER: Thank you, Mr. Yakeleya. The honourable Member for Nunakput, Mr. Jacobson.

MEMBER'S STATEMENT ON
MACKENZIE GAS PROJECT

MR. JACOBSON: Thank you, Mr. Speaker. My Member's statement today is in regard to the Mackenzie Gas Pipeline Project. Recently the Government of the Northwest Territories Minister of Industry, Tourism and Investment filed comments with the National Energy Board on recommendations by the Joint Review Panel. Because the National Energy Board ultimately has the final decision on making further developments to the Mackenzie Gas Pipeline Project, these comments are very important and must be given the highest priority.

Many businesses along the corridor and northern regions have invested with hope that this would have shovels in the ground by now. That is why the government must continue to work with local governments and aboriginal governments, and especially the federal government, to make this project happen. Considering it is the most important project to the Northwest Territories, this government must be front and centre while promoting this project as well as timelines and deliverables with all parties including the applicants and stakeholders and companies.

We cannot allow another four years to pass. This government must work with the federal government and the ministerial offices such as Tony Clement, Minister Chuck Strahl of Indian Affairs and Northern Development, and the Minister of the Canadian Northern Economic Development Agency to ensure the project is getting the prioritization that it deserves. These offices must be doing more with this government. They must work with them to ensure this project happens. Surely if we sit another four years, that would not only be a shame but an international embarrassment.

In addition, I urge this government to involve MLAs up and down the valley, community leaders and corporate leaders to push forward. This group needs to truly be inclusive. This government must devote the resources and the attention of this megaproject that it deserves. Without a commitment, we just don't look very serious.

Local regional governments are passionate about this project. They are most knowledgeable about the issues and can generate the community-based support. I will have questions for the Minister of ITI at the appropriate time.

MR. SPEAKER: Thank you, Mr. Jacobson. The honourable Member for Yellowknife Centre, Mr. Hawkins.

MEMBER'S STATEMENT ON
APPLICATION OF GNWT
MEDICAL TRAVEL POLICY

MR. HAWKINS: Thank you, Mr. Speaker. Today I want to use my Member's statement to talk about the Medical Travel Policy in relation to people requiring transplants. As I've raised on a number of occasions, there needs to be a clearly defined policy with a specific aim to assistance for people who go through the medical transplant process. We need a policy that takes into consideration the real and much needed support of family members who should be there through this difficult time.

I want to now paint a picture of how disappointing the present Medical Travel Policy is and, in my view, how it is very insensitive at the least. Imagine you or a family member or friend, or even just someone you know, who has a two-year old son whose heart was removed just three short weeks ago. As in this case, those three short weeks ago that child's mother has been relentlessly sitting by the side of that child every waking moment, leaving only to get minimal sleep; assuming that your body will allow you to get any sleep throughout this ordeal. Now imagine, because of our Medical Travel Policy, you have to leave the remainder of your support, your loved ones, back home here in the North.

What is this story about? Such as this case, a husband, another son who is six, and a daughter who is four are left behind to cope. Imagine what it must be like being alone in a hospital with your two-year-old child with no heart waiting for a transplant while the other parent is left home tending to your other children, as in this story I am attempting to illustrate.

The present territorial Medical Travel Policy, our Medical Travel Policy, the Medical Travel Policy overseen by the Health Minister, does not contemplate this challenge of having one parent only sent out for what is a truly unknown amount of time without any visits from their immediate family, that father, the six-year-old older brother, or even the four-year-old sister.

Our present Medical Travel Policy does not contemplate the challenge of burn out by the parent at the hospital and, therefore, does not consider respite of any kind. I ask: does this mother not deserve a break? Does this mother not need the direct support of her family? Does this child in the hospital not need to see his older brother or sister for strength to fight on? I think so. For this mother to receive a much needed break, as the present policy dictates, she would have to leave on her own accord and leave her son unattended, which is certainly not right.

Mr. Speaker, may I seek unanimous consent to conclude my statement?

---Unanimous consent granted.

MR. HAWKINS: So why are we not a territory of compassion that takes circumstances and fairly weighs them with the empathy and understanding that needs to be taken into consideration?

So to close my statement with one final matter that needs to be put into perspective -- and most certainly, God forbid, that this day ever does come -- however, if that dark day and disappointing moment had to come where this child, a two-year-old smiling and wonderful little boy named Jonas, had to have his machines turned off, our Medical Travel Policy wouldn't unite this family one last time. It would leave that mother alone in the room as the machines went silent; it would leave the father here in Yellowknife pacing hopelessly and helplessly; and leave the other two children scarred without being able to say goodbye as their little brother took his final breath. Mr. Speaker, this two-year-old boy needs the support that we can give, and I certainly believe our government can do better. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Hawkins. The honourable Member for Mackenzie Delta, Mr. Krutko.

MEMBER'S STATEMENT ON TERRITORIAL TRANSPORTATION INFRASTRUCTURE REQUIREMENTS

MR. KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, the need for infrastructure is needed throughout the Northwest Territories and other regions. Mr. Speaker, this week we'll be talking about the Deh Cho Bridge. Mr. Speaker, there's a need for bridges in other regions and the regions I represent, from the Peel River Bridge, which has been discussed in this House, to the Liard Bridge and the Bear River Bridge, which also has been discussed in this House.

Mr. Speaker, this week what happens to the Deh Cho Bridge will set the precedent for the rest of the Northwest Territories. Mr. Speaker, as communities and community ownership is a critical component to land claim negotiations, regional claim settlements, and, more importantly, the benefit of the communities that will be impacted by these major developments.

Mr. Speaker, I think it's important to realize that as Northerners and as people in the North, we expect to receive the majority of the benefits that flow from these projects and have them built by northern companies and northern businesses and also ensure that employment opportunities are arrived at for the residents of the Northwest Territories.

Mr. Speaker, infrastructure is key to the future development of the Northwest Territories, and what happens this week with the Deh Cho Bridge, again, will set the precedent for future developments.

I know I'm repeating myself, Mr. Speaker, but sometimes you have to do that to get the word across. We have a perfect opportunity for the Department of Transportation to build the capacity that's needed to look at these other projects throughout the Northwest Territories and improve the public infrastructure from the Mackenzie Highway north of Wrigley to Tuktoyaktuk and connecting our communities to year-round access as we are trying to achieve here with the Deh Cho Bridge.

Mr. Speaker, I realize that things have changed, but hopefully it's a change for the better. Mr. Speaker, I look forward to the debate this week, but I would like to point out to the Government of the Northwest Territories to not lose sight of those other infrastructure needs throughout the Northwest Territories and bridges that are needed in other regions. Mahsi.

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Member for Hay River South, Mrs. Groenewegen.

MEMBER'S STATEMENT ON DEH CHO BRIDGE PROJECT

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, I just want to make a few statements about this sitting of the Legislature and why we are back here. The public very well knows that we had our spring budget session, which lasted almost six weeks, and towards the end of that session information and circumstances came to light that required this government to make the decisions with respect to the Deh Cho Bridge Project.

Mr. Speaker, rather than waiting until the May sitting of the Legislature, by which time the government would have had to expend funds through special warrants and bring forward an appropriation bill at that time in May, it was the feeling of the majority of Members that we should call a special sitting of the Legislature in order to again be able to share with the public and for the government to share with Members more information and an update on this project as it goes forward.

Mr. Speaker, I supported that position that the government took, and I think this is a better way of doing things. Mr. Speaker, the Deh Cho Bridge is a project that came into the care and keeping and mandate of this government by a very strange means, something that this government is not normally accustomed to using in order to acquire capital infrastructure. Mr. Speaker, I think it has been proven that it has been a difficult road and I hope a learning road for this government, but the fact of the matter is that now we have a bridge across the Mackenzie River at Fort Providence which is half built and we need to move forward. People need to understand, too, that we are not

exactly spending \$165 million. What we are doing is taking on to our balance sheet, on to our books as a government, a debt for \$165 million. In fact, this project is being financed by a lender.

Mr. Speaker, I guess the only... Well, one of the things going forward, whether you agree with this project or not, is something that's unique about this project is the fact that it does have the ability to generate revenue and be self-financing. So it is a piece of infrastructure which I hope will serve the people of the North for very many years. It is unique. I hope we've learned good lessons from it and we will continue to discuss the details of this during this session going forward. Thank you.

MR. SPEAKER: Thank you, Mrs. Groenewegen. Item 4, returns to oral questions. Item 5, recognition of visitors in the gallery. The honourable Member for Yellowknife Centre, Mr. Hawkins.

Recognition of Visitors in the Gallery

MR. HAWKINS: Thank you, Mr. Speaker. Mr. Speaker, I have two people in the gallery I'd like to recognize. First, I have Mr. Chris Bassi. He's the father of our very well-known assistant deputy minister, Sheila Bassi-Kellest. Mr. Bassi is a retired bridge engineer, of some note, and he finds the discussion today very interesting. The second person I'd like to introduce today is Mr. Neils Konge. He's the father of young Jonas, the person I was talking about in my Member's statement, and his son is waiting in Edmonton for a heart transplant. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Hawkins. The honourable Member for Weledeh, Mr. Bromley.

MR. BROMLEY: Thank you, Mr. Speaker. I'd like to recognize Mr. Dick Abernethy, father of my colleague here and resident of Weledeh. Welcome, Dick.

MR. SPEAKER: Thank you, Mr. Bromley. The honourable Member for Yellowknife South, Mr. Bob McLeod.

HON. BOB MCLEOD: Mr. Speaker, I'd like to recognize Mr. Michael Ganley, the editor for Up Here Business magazine.

MR. SPEAKER: Thank you, Mr. McLeod. Welcome to all our visitors in the gallery today. I hope you're enjoying the proceedings.

Item 6, acknowledgements. Item 7, oral questions. The honourable Member for Yellowknife Centre, Mr. Hawkins.

Oral Questions

QUESTION 55-16(5): APPLICATION OF GNWT MEDICAL TRAVEL POLICY

MR. HAWKINS: Thank you, Mr. Speaker. In my Member's statement today I talked about my concerns with the Medical Travel Policy. To be very specific, we don't have a policy that works with the families that help them go through the medical transplant process, and the policy does not support parents beyond the initial one that travels down.

Mr. Speaker, my question directly to the Minister of Health and Social Services is: how does she see the present Medical Travel Policy accommodating the extended family that needs to be there through trying times such as this? Thank you.

MR. SPEAKER: Thank you, Mr. Hawkins. The honourable Minister responsible for Health and Social Services, Ms. Lee.

HON. SANDY LEE: Thank you, Mr. Speaker. The NWT has one of the most generous medical travel policies for our residents and families. It's been in existence for many years. We do not distinguish by condition. We do allow for one medical escort for medical purpose or for language purpose and for elders who are over 60.

Mr. Speaker, routinely, daily, I do get requests, for whatever reason, whether it be elderly or medically fragile infant or cancer patients or all kinds of reasons why many members want to have access to medical travel, but it is not possible, it is not allowed. We are allowed one medical escort for each patient. Thank you.

MR. HAWKINS: Mr. Speaker, it was probably very stinging obvious in my Member's statement, I believe, that a family should have access to their children throughout such a difficult time. I am asking the Minister what would stop her from developing a medical travel transplant policy that could reflect family values to ensure that there is family support ongoing through this type of process by allowing the extended family such as the other parent and possibly even the children from travelling down from time to time to provide much needed support through this medical process. Thank you.

HON. SANDY LEE: Mr. Speaker, as the Member knows, we have a lot of services in the NWT, but there are many that we do not. Our residents have to be able to travel outside of the NWT to obtain the services they need. Where that is an insured service, we do provide a medical escort. We do not distinguish by disease. We provide medical travel for all services that are covered on the health insurance and health services under the Canada Health Act, Mr. Speaker.

Mr. Speaker, access families, we do not provide 100 percent of coverage for travel. Families do have to bear some costs in circumstances where their family is ill. Thank you.

MR. HAWKINS: Mr. Speaker, the Minister did not answer the question. What stops the Department of Health and Social Services from creating a policy in the medical travel directive that recognizes respite and uniting families through such difficult processes? What would stop the Minister from creating a policy to recognize these challenges that wouldn't probably be needed very often? Thank you.

HON. SANDY LEE: Mr. Speaker, we have a medical policy that applies to all conditions whether it be cancer, transplant, premature baby who needs to be in an incubator, all kinds of medical procedures, and they work. I don't think we want to be looking at creating 100 different policies depending on the specified condition that would require putting values on medical procedures that our residents need. Our policy is that we will provide medical travel per resident for one medical escort who needs to be with the patient. Mr. Speaker, that works and it is one of the best in the country. Thank you.

MR. SPEAKER: Thank you, Ms. Lee. Final supplementary, Mr. Hawkins.

MR. HAWKINS: Thank you, Mr. Speaker. I am not suggesting that we create a medical travel policy because someone is flying down and they are getting a needle in their shoulder and we have to send the whole family to Edmonton to make sure that they feel comfortable. Mr. Speaker, I am talking about a situation whether it be this particular case or similar cases whereas these are truly life and death days. Every day is an important day. Every day is certainly a blessing. Mr. Speaker, when it comes to urgent situations as I am trying to describe in this situation, what is stopping the Minister from demonstrating some compassion that shows that we will keep a family support high and united regularly by developing a policy that recognizes this? Thank you.

HON. SANDY LEE: Mr. Speaker, I believe all the Members in the House and the government recognizes and understands that there are many medical conditions that are serious, that are trying and it is about life and death, whether it is cancer, whether it is heart attack, you name it. There are so many procedures that our residents need on a day-to-day basis that our people will tell you that are pressing to them whether it is breast cancer, colorectal cancer, somebody who is in a car accident. We could go on and on. We have a general policy that allows our residents to access those services where it is necessary and then we provide financial support for a medical escort. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms. Lee. The honourable Member for Weledeh, Mr. Bromley.

QUESTION 56-16(5):
DEH CHO BRIDGE PROJECT
FISCAL IMPLICATIONS

MR. BROMLEY: Thank you, Mr. Speaker. My questions are for the Premier with regard to the Deh Cho Bridge Project. We are approaching our last year of the 16th Assembly. Here we are proposing to take on a considerable amount of debt for the Deh Cho Bridge Project. I am wondering what are the implications and the consequences to the 17th Assembly of carrying this much debt on to their backs in the future. Thank you.

MR. SPEAKER: Thank you, Mr. Bromley. The honourable Premier, Mr. Roland.

HON. FLOYD ROLAND: Thank you, Mr. Speaker. The issue of the Deh Cho Bridge Project, and assuming the debt has come to this session for that purpose, is one where we had to initiate additional discussions with the federal government to work with us around our borrowing limit. With that in place, there will be no further impact on this government or the next government. Of course, the next government will have to set its own fiscal strategy as to how it goes about investing and spending of the dollars that are available. Thank you.

MR. BROMLEY: Mr. Speaker, I am not sure I quite buy that. I am just wondering if we would have been able to take on a project like this if we had already been carrying this much debt and does that not get through to the Premier in terms of what some of the possible limitations he might consider as consequences of this project.

HON. FLOYD ROLAND: Mr. Speaker, the whole Deh Cho Bridge Project, the Deh Cho Bridge Corporation, that agreement that was signed, all contemplated of trying to have this debt outside of our accounting structures within the abilities that we have already set or the borrowing limit set by the federal government. The debt limit was taken into consideration in trying to come up with ways of trying to get the large infrastructure projects of this nature off the ground. That is why this process was taken.

Previous governments have looked at the P3 initiative as well. Unfortunately, as we find ourselves now, many of the pieces that were laid before us and put in place by a previous Assembly, we have had to go in and restructure and take over the control of that. By taking control of that, we will have to assume that debt. That will affect future governments in the sense of available debt and the total debt limit that is available for borrowing of future governments. Thank you.

MR. BROMLEY: Mr. Speaker, I am glad the Premier appreciates or is a little more to it than he inferred in his first response there. I think there is a huge implication of carrying this much debt through messing up as we have done.

I have heard the government say, Mr. Speaker, that we are going to service this debt no problem, with less than 1 percent of our revenues and so on. Does that mean that we are going to continue to pay this debt down that we are now carrying on our books at this low rate so that we are going to be carrying the debt for 35 years as we slowly pay it down and be restricted in what we can take on, the flexibility we have fiscally for a long period of time? Thank you, Mr. Speaker.

HON. FLOYD ROLAND: Mr. Speaker, before I get into the financial arrangements made by the lenders and the Deh Cho Bridge Corporation, with input from quite a number of sources, let's be clear. There was a project put in place by a previous government that had a concession agreement that flowed into this government. The Deh Cho Bridge Act was put in place even prior to that. Members may throw about the words "messed up" and so on. The simple fact is that we have had to step in because of contractor issues, because of capacity issues of this project.

Now, if all of the pieces fell together as they were initially identified, we would have Members standing up when the ribbon cutting ceremony happened, talking about the best thing the Government of the Northwest Territories ever got into. Unfortunately, we didn't get there. We as the Government of the Northwest Territories have had to now step in, as this process clearly identifies, of having to assume that debt. By assuming the debt and by looking at what we have to face as the Government of the Northwest Territories, the Member is correct; there are future, in a sense, implications about available borrowing room. Every government has to weigh that if they will borrow for projects. Our Minister of Finance, Mr. Miltenberger, laid out in his budget process the fiscal strategy of going back to a more typical capital program with the Government of the Northwest Territories and that would be \$75 million on an annual basis.

So as we go forward on this project we do have to look at the impacts of such an agreement, what they mean to us going forward, what it means in this environment, ensuring that we do not burden the future governments with the decisions we have.

As we've had to step into this project, the financing agreement that's been put in place by the Deh Cho Bridge Corporation with the lenders has a 35-year payment plan to it, if that's the proper terminology to use. That plan can be paid out depending on, for example, the real bond market that's out there and how much of a penalty that's potentially put on to that payout. There are going to have to be some

things that we'll have to look at. Right now we would be assuming or making huge assumptions as to what future bonds may be.

MR. SPEAKER: Thank you, Mr. Roland. Final supplementary, Mr. Bromley.

MR. BROMLEY: I appreciate those comments from the Premier. I personally believe there are huge implications to the services and infrastructure that this government can and will be able to contemplate because of this. My last question is: what are the implications to the government if we decline this proposed appropriation bill for \$165 million?

HON. FLOYD ROLAND: As Members are aware and as we have briefed Members, the need for this session is based on the lenders requesting the GNWT assume the debt. If we do not assume the debt, then there will be a make-whole clause that would kick in. There would be a penalty on top of the repayment of the debt. We would have a project that is out of the water but yet to be complete. So it will cost additional monies on the Government of the Northwest Territories and without assuming this process and having the federal government work with us as they have committed to on debt relief, in future years we would have to do what some Members have talked about in our meetings about having to squeeze our belts and reduce our expenditures to afford this in future years. The steps we have taken provide us the necessary tools so that will not have to happen.

MR. SPEAKER: Thank you, Mr. Roland. The honourable Member for Kam Lake, Mr. Ramsay.

QUESTION 57-16(5):
DEH CHO BRIDGE PROJECT

MR. RAMSAY: Thank you, Mr. Speaker. I have questions today for the Minister of Transportation. Again it gets back to the Deh Cho Bridge Project and the financial side of things. I want to ask the Minister of Transportation when exactly did the lenders turn the tap off on the project.

MR. SPEAKER: Thank you, Mr. Ramsay. The honourable Minister responsible for Transportation, Mr. Michael McLeod.

HON. MICHAEL MCLEOD: Thank you, Mr. Speaker. I'm assuming by the "tap" the Member means the ability to draw down on the construction funding. We were formally notified by the lenders on March 1st that we would not be able to draw down any further dollars. We informed the Members of the standing committee on March 2nd.

MR. RAMSAY: Formally notified and reality are two different things. I'd like to ask the Minister when the money stopped flowing on this project and when the government first became aware that the construction account from the lending agency was in fact locked up. When did that happen?

HON. MICHAEL MCLEOD: The Member asked about when we were officially notified and I gave him that response. Our last drawdown was in December. We had informed Members that there was some concern that the lenders had issued a notice of default and it may result in complications with the project. Probably around the middle -- I don't have an exact date -- of February we had some discussions with the lenders. At that time they indicated to us that there was going to be some ability to be flexible and officially we did not have anything in writing until March 1st. We informed the members of standing committee on the 2nd.

MR. RAMSAY: I'm just trying to make some sense of how this happens. The money gets turned off in December. The Minister comes before committee the last week of January and tells us everything on the project is going along relatively smoothly. Within two weeks of that meeting we're informed that the government is looking for a \$15 million supplementary appropriation from us and looking for our support for that to in effect loosen up the lenders and get the money flowing again. I'd like to ask the Minister when did the Minister exactly know that there was no money coming from the lenders. I know he says he was officially notified on March 1st, but did the department know back in December and why didn't they tell us the last week of January? Don't they have a duty to tell us?

HON. MICHAEL MCLEOD: First of all, we didn't know in December. Our last drawdown through the process was in December. We share all our information with the Members, as the Member knows. We give them all the information. We're not trying to hide anything. Officially we were told no more drawdowns in writing March 1st. We had discussions with the lenders in February where they indicated to us that there was a notice of default and as a result we had further discussions about the ability of being flexible. They approved and agreed with us that they would be. However, in the following letter we were told that on March 1st and we informed the Members on the 2nd. So we did as soon as possible after being formally informed.

MR. SPEAKER: Thank you, Mr. McLeod. Final supplementary, Mr. Ramsay.

MR. RAMSAY: Thank you, Mr. Speaker. Obviously something happened to spook the lenders. I'd like to know if the Minister knows exactly what that was. We had the Minister come before us requesting that the government approve and the Members approve \$15 million in a supplementary appropriation to get that money flowing from the lenders. That wasn't the case. Obviously we are here this week looking at a supplementary appropriation for the full amount. I'd like to ask the Minister why that was and what happened to the lenders in between those two dates that they decided that us in good faith approving \$15 million wasn't enough.

HON. MICHAEL MCLEOD: I'm not sure what spooked the lenders off, as the Member put it. The lenders had indicated that there was a milestone that they wanted to see met, which was January 29th, to have all the redesign in place and approved by their independent engineer. We feel we met that deadline. We had three different engineering firms approve our design. We formally sent it to the lenders and they responded by saying that it wasn't something that they were going to approve and were going to issue a notice of default. We had some discussions in February that there was going to be a notice. It did not indicate that the funding or the taps were turned off, as the Member has put it. We were formally told March 1st that we would not be able to draw down. In fact, I don't believe it was even a request for a drawdown that was rejected up to that point.

MR. SPEAKER: Thank you, Mr. McLeod. The honourable Member for Tu Nedhe, Mr. Beaulieu.

QUESTION 58-16(5):
APPLICATION OF GNWT POLICIES ON
SENIORS RESIDING WITH EXTENDED FAMILY

MR. BEAULIEU: Mahsi cho, Mr. Speaker. Today I talked about unofficial home care services provided by adult children and grandchildren who live with elders. In many of the small communities it's quite common for elders to have their adult children and grandchildren living with them. The government needs to recognize and acknowledge and do all it can to support this important community situation.

I have questions for the Minister of Education, Culture and Employment. Will the Minister agree to review the current seniors fuel subsidy program and policy so that it properly takes into account the services provided by live-in family caregivers?

MR. SPEAKER: Thank you, Mr. Beaulieu. The honourable Minister responsible for Education, Culture and Employment, Mr. Lafferty.

HON. JACKSON LAFFERTY: Mahsi, Mr. Speaker. This particular area has seen some changes over time. We've increased the income threshold as well, household income, by \$10,000. At the same time, through the transition period we've made some changes along the way with other programs as well. So we are receptive to making changes to our programming, overall programs that we have that are deliverable to the communities. This seniors home fuel subsidy is a very attractive subsidy program for seniors in the small communities especially. I would state in the House that this is an area we continue to look at with individuals who are looking after their grandma or grandparents or parents. We are fully aware of it, but as it stands, it's based on the household income. We are looking further into it on how we can have some less impact on the seniors themselves.

MR. BEAULIEU: I thank the Minister for that response. Without changing the income requirements for the program, will the Minister direct his staff to revise the policy so that these adult children and grandchildren who live with elders can have all or some of their income exempt depending on how the department chooses to look at it? Some or all of their income exempt in lieu of the important elders' care that these children are providing.

HON. JACKSON LAFFERTY: Those are the areas that we are currently evaluating. We need to assess who those seniors are, how many individuals are living with them, and they are based on household income.

As I stated in the House on several occasions, some of those individuals are working at the mines. Some of those individuals take advantage of the system. We have to be very careful in the evaluation system. As long as it benefits the clientele, the seniors, we'll do what we can to meet those needs of those individuals. We are looking into this even further within my department.

MR. BEAULIEU: Will the Minister commit to further working with the Minister responsible for Seniors with the specific mandate of looking at revising all of the seniors support programs?

HON. JACKSON LAFFERTY: We work as a cross-cultural departmental initiative where NWT Housing Corporation uses household income. The same for the Minister responsible for Seniors through her programming. Within the ECE subsidy programs it is based on household income. Those are the areas that we continue to improve our programming. Yes, I will continue to work with my two colleagues on this particular item.

MR. SPEAKER: Thank you, Mr. Lafferty. Final supplementary, Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Speaker. In that future work will the Minister agree to look at the seniors support programs holistically with the other Ministers and do what is feasible for the seniors and for the government and essentially all the residents of the NWT?

HON. JACKSON LAFFERTY: I was having a chat on the side with my colleague here. Definitely we are committed and I believe it was brought up some time ago that we need to look at the household income. We are committed to looking even further at expanding the role of the subsidy programs we deliver based on household income. So the Housing Corporation is also. We will look into this further.

MR. SPEAKER: Thank you, Mr. Lafferty. The honourable Member for Great Slave, Mr. Abernethy.

QUESTION 59-16(5):
TALTSON HYDRO EXPANSION PROJECT
PROPOSED TRANSMISSION LINES

MR. ABERNETHY: Thank you, Mr. Speaker. My questions today are for the Premier. The NWT Hydro Corporation's strategic plan promises a feasibility analysis and design of a potential electrical grid for the Northwest Territories. The Taltson expansion does not address this or support a long-term strategy focused on the NWT grid system or creating redundancy within the NWT electrical system. You would think that this analysis and design of a grid should logically occur prior to the Taltson expansion itself. So could the Premier tell me how can this government support the expansion of Taltson if it avoids addressing this issue, which is one of the primary purposes that the NWT Hydro Corporation exists in the first place? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Abernethy. The honourable Premier, Mr. Roland.

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, the NWT Hydro Strategy does set out the development of a grid over the long-term life of the Northwest Territories. This piece of our plan is based on the business case, a business model that sees revenue accruing to the partnership and to the Hydro Corporation. From there, the benefits then would flow in other areas, Mr. Speaker, that would see, for example, the GDP of the Government of the Northwest Territories remain or grow because we're able to supply electrical power to industry at a lower rate than is being done, so now because they have to build their own electricity generation as part of their scenarios of mine development and, as well, burn diesel and also add to the climate change concerns that we have. Thank you.

MR. ABERNETHY: I was wondering if the Premier could tell me what business opportunity he's talking about. I was under the impression that the whole business case of the Taltson expansion was based on selling power to diamond mines, of which I understand that the diamond mines haven't signed any power purchasing agreements or anything like that. So who are these business opportunities and these new mining ventures that exist? Thank you.

HON. FLOYD ROLAND: Mr. Speaker, one of the things we have to realize and recall, even the previous decisions made by the mines because of the economic downturn was they shut down for a number of months because of the cost of running their operations, and that takes into fact the cost of running their facilities in a remote location. Our plan would provide for power at a cheaper rate, thereby expanding mine lives, for example, or allowing a new mine to be developed, because one of the things that the shareholders of a mining operation have to take into consideration is the overall cost of doing business in the Northwest Territories.

So as we look at those pieces, this process was put in place, Deze Corporation, a partnership that we have to sign off on as the Government of the Northwest Territories in the near future if we're really going to make this go ahead, as well as have those partnership agreements and the power purchase agreements in place with the mines. So there are a number of key things that go ahead much like, for example, the Mackenzie Gas Pipeline. There is a potential project, but the proponents have to decide if it actually goes after they've invested significant dollars through an environmental process to see if, in fact, it can proceed in a cost-effective manner. So the same thing applies to the Taltson. Thank you.

MR. ABERNETHY: I think with something like the Taltson expansion we need to be thinking long term, we need to be thinking about the benefits to the people of the Northwest Territories, not just to the pocketbook of Deze which stands to make a lot of money from this if we go around the East Arm. There are other mining opportunities. There's Avalon near Thor Lake, there are opportunities in Pine Point, and there's also, hopefully someday if there aren't already, opportunities in the North Slave Geological Province that can be accessed through alternate routes. I want to know why we're so bent on going with this around the East Arm route through a park, a brand new federal park, when there are all these other opportunities which will create more opportunities in the long run such as an opportunity to create some grids. It seems awfully short-sighted to go around the East Arm and ignore these other routes. I was wondering if the Premier could tell me a little bit more about why we're so set on that one route.

HON. FLOYD ROLAND: Mr. Speaker, the alternate routes have been looked at by the Hydro Corporation and the Power Corp because through the environmental review they were asked for additional information. That was provided. This project will not work. We will not be able to sell energy to the mines for an acceptable rate. They will not sign power purchase agreements for a cost higher than they're able to develop it for in today's environment. Adding approximately \$100 million-plus to the project by going around the west side of the lake would put that project in a place where it is uneconomical and we have no project; there will be no expansion without a customer. The customer base is based on kilowatt hours. Those discussions are ongoing and if those agreements get signed, we have a project to move forward. If they don't get signed, we have no project. Thank you.

MR. SPEAKER: Thank you, Mr. Roland. Your final supplementary, Mr. Abernethy.

MR. ABERNETHY: Thank you, Mr. Speaker. There is more than just the western route; there are the two across-the-lake routes, and if I remember

correctly, I think the costs on those aren't quite as high as going all the way around the west. One might be \$40 million and one might be \$50 million. I don't know for sure, but it's quite a gap from the \$100 million that the Premier is suggesting. I'm thinking that the costing that we got was from Deze. Deze wants to go around the east. How do we know that the costing we're getting for the other routes are fair and reasonable? Would the Premier commit to actually having a little bit of an independent review done into the actual costing of alternate routes? Because the only ones we're getting are Deze and Hydro Corporation assessments. I'd like to see what some of those costs are from an independent body as opposed to Deze. Thank you.

MR. SPEAKER: Thank you, Mr. Abernethy. Mr. Roland.

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, as I stated earlier, through the environmental review process additional information was requested. That information was gathered and supplied to the review board around alternate sites. We go from \$70 million to as high as \$200 million, depending on the different scenarios that we've looked at: across-the-lake, underwater cable and so on. Substantially more expensive than what's in place today. Without a business case, without a customer at a kilowatt hour, there is no project unless this government itself decides to pay the additional cost for going alternate routes around the lake. Thank you.

MR. SPEAKER: Thank you, Mr. Roland. The honourable Member for Frame Lake, Ms. Bisaro.

QUESTION 60-16(5):
WAIT TIMES TO SEE MEDICAL
SPECIALISTS IN THE NWT

MS. BISARO: Thank you, Mr. Speaker. Mr. Speaker, in my Member's statement I talked about a lack of response to a constituent's concern. At issue for my constituent was the very long time that he would have had to wait to see a specialist doctor. In the end he never did see a specialist; his injury healed itself, fortunately. But that does not address the problem of long wait times that NWT residents are faced with. The original reason for his e-mail was the problem of a long wait time, and that was in October of 2008. So my question is to the Minister of Health and Social Services. I understand that we have different specialists within the NWT, and different specialties, of course, will have more people attending to them than others, but I'd like to know from the Minister how long a person should have to wait to see a specialist doctor. Thank you.

MR. SPEAKER: Thank you, Ms. Bisaro. The honourable Minister responsible for Health and Social Services, Ms. Lee.

HON. SANDY LEE: Thank you, Mr. Speaker. Mr. Speaker, I have a lot of respect for the Member, but that was quite a scathing statement talking about how unresponsive I am, which makes me wonder what kind of a Member is she to wait for 18 months before she brings up an issue about her constituent.

Mr. Speaker, we work on the same floor; we work in the same building; my BlackBerry is on 24 hours a day. She knows that a simple phone call or an e-mail could have given her an update. Mr. Speaker, at the same time, her scandalous headline, she did answer her own question in that...

I want to answer the question about being responsive to constituents. We take this job very seriously. We have 2,500 people working in the department who work hard to respond, and the Member did state that this person was contacted by a staff. When they contact my office they don't always get a direct answer from me. We respond as a system.

Mr. Speaker, wait times, without knowing the details, I can't answer the question. I'll take the question as notice and get the details and get back to the Member. Thank you.

MR. SPEAKER: Thank you, Ms. Lee. The honourable Member for Nunakput, Mr. Jacobson.

QUESTION 61-16(5):
MACKENZIE GAS PROJECT

MR. JACOBSON: Thank you, Mr. Speaker. Mr. Speaker, today my Member's statement was on the Mackenzie Gas Project and my questions today are for the Minister of ITI. Is the Minister of ITI working with Esso and other producers to get this Mackenzie Gas Project restarted to avoid the two-year delay that producers have announced? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Jacobson. The honourable Minister responsible for Industry, Tourism and Investment, Mr. Bob McLeod.

HON. BOB MCLEOD: Thank you, Mr. Speaker. We have worked with Mackenzie Valley Pipeline proponents and also the Aboriginal Pipeline Group in the past to determine some of the information requirements that were required for the pipeline. The Joint Review Panel has recently filed the report. Until such time as the responsible Ministers and the various governments respond, we will continue to participate through providing a government response and also continuing to intervene and participate in the different hearings as appropriate. Thank you, Mr. Speaker.

MR. JACOBSON: Mr. Speaker, the MGP slowdown in the offshore activity moving over to Alaska and the Chukchi Sea with Shell and the communities in the Beaufort-Delta and Nunakput communities that I represent, there is a drill chip in

the Mckinley Bay 60 miles away from Tuk. People could be working. The two-year delay such as this really puts a damper on everything because the projects that we do have going on in Tuk, the access road is starting to slow down, it is near completion. Mr. Speaker, what will the Minister of ITI be doing with the federal Ministers to get this project restarted to avoid the further delay and is he working to get the offshore activity restarted? Thank you, Mr. Speaker.

HON. BOB MCLEOD: Mr. Speaker, I think there are a couple of pieces of information that I need to emphasize. First of all, Imperial Oil recently announced that the decision to construct would be made in 2013. The earliest if gas would flow would be in 2018 if it was a positive decision. The reasons they gave for the delay was the long delay caused by the regulatory process and also the lack of a fiscal arrangement with the federal government.

In the recent federal throne speech and the recent federal budget, the federal government had indicated that they support the Mackenzie Gas Pipeline as long as it was commercially viable and that it met all of the regulatory requirements that the governments would respond to.

We will continue to do our part to focus on dealing with the response from the Joint Review Panel report and also the fiscal arrangements is the most important thing. Proponents have indicated that would be the main rush now for making a positive decision to construction. Thank you, Mr. Speaker.

MR. JACOBSON: Mr. Speaker, the road to the gravel source is nearing completion, the Minister working with any other businesses, communities in the Mackenzie Delta and down the valley on the downturn of the delay of the business activity, has he found a way to continue stimulus funding for additional projects such as that? Thank you, Mr. Speaker.

HON. BOB MCLEOD: Mr. Speaker, we have been continuing to get our message out about the very negative impact that not only caused by economic slowdown but also by the lack of economic development in the region. We have been working through the Mackenzie Valley Pipeline office. We have been working with the communities and also with local businesses to try to identify the kinds of assistance that could be looked at so that we could get through this difficult period. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. McLeod. Your final, short supplementary, Mr. Jacobson.

MR. JACOBSON: Thank you, Mr. Speaker. I just want to ask the Minister if he could, I guess, send a letter to the producers groups and the Joint Review Panel, but producers groups in urging them to see if they could get this project restarted and try to hold back on the two-year delay, because people in the

communities and down the valley need employment. The businesses that are suffering up and down the valley need this project to go sooner rather than later. I ask the Minister if he could send a letter. Thank you, Mr. Speaker.

HON. BOB MCLEOD: Mr. Speaker, I guess if it gives the Member any comfort, the Alaska Pipeline have indicated that their project be pushed back to probably 2020. I guess a large part of the delays there is with, for example in the Chukchi Sea, there have been a lot of court cases with regards to whales and other marine mammals. That is an issue that Americans have to face as well. We will continue to work through the regulatory process and we will be working on filing our government response. We will be participating in the hearings as they go along as appropriate. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. McLeod. The honourable Member for Hay River South, Mrs. Groenewegen.

QUESTION 62-16(5):
DEH CHO BRIDGE PROJECT
FISCAL IMPLICATIONS

MRS. GROENEWEGEN: Thank you, Mr. Speaker. I would like to ask my questions to the Premier and it is about the Deh Cho Bridge. Mr. Speaker, in the statement that the Premier made, it said: "First, I want to assure Members and the public that assuming responsibility for the Deh Cho Bridge Project will not change the GNWT's fiscal situation or the GNWT's ability to pay for programs and services."

Mr. Speaker, that is a very categorical statement and doesn't really take into account anything unforeseen. As my colleague Mr. Ramsay had pointed out, there have been some unexpected occurrences with the Deh Cho Bridge Project. I am thinking specifically about the cost. We had a fixed price, fixed contract, but it seems that that had to be adjusted somewhat. Mr. Speaker, we have a household income here if we make this an analogy. It is the \$1.3 billion that we have to work with each year. We have some long-term debt -- Housing Corporation, Power Corporation and now potentially the Deh Cho Bridge -- but we have a limit. We have a limit. It is like having a credit card. There is a limit. We can't go over that limit. It is \$500 million.

Mr. Speaker, I would like to ask the Premier, interest rates are projected to be going up. We have \$100 million from the Immigrant Investment Fund sitting in a bank account or in some investment somewhere. It is not doing us much good financially. Is there any possibility that the lenders could be... If their fortunes and their interest could be better putting their loan someplace else, is there any chance that we could take the \$165 million bridge debt for the Deh Cho Bridge

and pay that down more quickly through some other means, maybe partially by using some of the Opportunities Fund's money? I know it sounds kind of convoluted, but I mean interest rates are going up. Maybe the lenders could find a better deal somewhere else. Thank you.

MR. SPEAKER: Thank you, Mrs. Groenewegen. The honourable Premier, Mr. Roland.

HON. FLOYD ROLAND: Thank you, Mr. Speaker. The options for us, there are a number of things that could be developed and the Member has put the idea of the Opportunities Fund as part of a solution that could be looked at paying out a debt early. The situation that we would have to look for is, for example, the Opportunities Fund has a time amount once borrowed that it has to be paid back. The concession agreement and the agreement with the lenders that stands is already built into our fiscal strategy for the 35 years. There will come a time as interest rates go up and real bonds and the real bond market, we could weigh the possibilities of paying out the debt early and still be ahead of the game with the... I don't know if we call it a penalty clause at that point, but the early payout would cost us some money so we would have to weigh those things out. Again, that is building into assumptions in the future. Thank you.

MRS. GROENEWEGEN: Mr. Speaker, if we leave the Deh Cho Bridge debt on the books long term and that becomes part of our borrowing limit for the long haul, does the Premier not see that as really tying the hands of this government since it does not affect our fiscal capacity and does not affect our ability to deliver programs and services, it doesn't anticipate anything unforeseen and it limits our borrowing ability? Does the Premier not see that as affecting our fiscal situation?

HON. FLOYD ROLAND: As this scenario developed and as we went to Members highlighting the concerns that we had, by not taking any action there would be immediate impact on the Government of the Northwest Territories when it comes to our debt wall. By taking the steps we have and getting confirmation from the federal Minister of Finance, Minister Flaherty, to work with us in dealing with this debt around this project short-term relief we've been able to work through this scenario where there will not be an immediate impact.

As I was responding earlier to Member Bromley, there would be an impact in a sense of our available borrowing capacity being impacted as we go forward as the Government of the Northwest Territories. That's always a consideration that governments face. That is why, for example, we went outside to the Deh Cho Bridge Corporation who structured this project as it was. The Taltson project is structured as purely a business case because we realize that the Government of the

Northwest Territories is unable to take on projects of that magnitude on its own.

MRS. GROENEWEGEN: I'd like to ask the Premier, since he brings up the Taltson hydro expansion, how is having our debt card full going to affect our ability to guarantee any loan to do the Taltson expansion?

HON. FLOYD ROLAND: Regardless of our debt situation as the Government of the Northwest Territories, even the bridge project aside, we are unable to, as the Government of the Northwest Territories, guarantee the debt of the Taltson. With drawing this down and bringing it into our books does not impact us that way. We're going to have to find partners out there or have the federal government make an investment. There are a couple of funds that we have made application to try to help offset some of those costs.

MR. SPEAKER: Thank you, Mr. Roland. Final supplementary, Mrs. Groenewegen.

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Sorry, dumb question there. I forgot the Taltson was \$700 million and I guess that is a bit outside of our debt limit. What do we do -- this is a hypothetical question -- I was going to say what do we do if something unforeseen comes up that's in the millions of dollars? If we had brought the Deh Cho Bridge onto our books through a normal process similar to the Inuvik school, if we had brought that money onto our books in a similar fashion, this would be three or four years' worth of our capital budget. Is there any possibility that we could still do that, understanding that the lenders would have to agree to allow us to do that? Has that been analyzed or looked at?

HON. FLOYD ROLAND: The process with the lenders, one, has unfortunately gone the track it has. Where we felt we had some flexibility, we came forward and requested the \$15 million in our last sitting. We got that approval and then we were informed by the lenders that they are requesting us to assume the debt. With that in mind, that has now put us into this scenario. When it comes to repayment, the repayment structure is in place. If we want to repay earlier, there is going to be a penalty. We'd have to weigh those.

At some point, as I was speaking earlier to the markets that are out there on real bonds in that scenario and versus the penalty payment option, this is built in our fiscal strategy. It has been for the life of the agreement. With us taking over with the work of the federal government we will, we are working on ensuring that the room is there seeing if there were some changes to other expenditures, for example forest fires and so on.

MR. SPEAKER: Thank you, Mr. Roland. The honourable Member for Sahtu, Mr. Yakeleya.

QUESTION 63-16(5):

GNWT REFERRAL OF CARIBOU MANAGEMENT QUESTION TO THE SUPREME COURT

MR. YAKELEYA: Thank you, Mr. Speaker. My questions today are for the Minister of Justice. I want to ask the Minister of Justice who Cabinet consulted with on the decision to refer the question of the Government of the Northwest Territories' legal right to impose a ban on aboriginal people from hunting to the Supreme Court of the Northwest Territories.

MR. SPEAKER: Thank you, Mr. Yakeleya. The honourable Minister responsible for Justice, Mr. Lafferty.

HON. JACKSON LAFFERTY: Mahsi, Mr. Speaker. Under the Legal Questions Act, as the Minister responsible for Justice I have the authority to seek or pose a question to the Supreme Court of the Northwest Territories. With that we felt that we needed to do that because there were several groups that were disputing the Government of the Northwest Territories' authority to regulate caribou harvesting. So we just wanted to reaffirm our stance that we do have the authority as the GNWT to regulate those harvests. It has been brought to the attention of the Cabinet and we proceeded with that. We did consult with the aboriginal groups, as well, the posing of the question.

MR. YAKELEYA: Will the Minister commit to discussing any future decisions to refer matters to the Supreme Court with the Regular Members?

HON. JACKSON LAFFERTY: When we first heard about this particular concern that was brought to our attention, we felt the need to react on the question that was thrown at our GNWT as the Department of Justice and GNWT wide. As the Minister responsible for Justice, I will certainly continue to work with the Members. On a going forward basis, there are other areas that we need to pose questions to the Supreme Court and I will continue to work with the Members.

MR. YAKELEYA: Does the Minister anticipate the ruling of the court will have an impact on future discussions involving aboriginal groups and treaty rights?

HON. JACKSON LAFFERTY: This reference question is just to clarify our authority as the GNWT to regulate caribou harvesting, it does not have any impact on the land claim groups' aboriginal harvesting. We just want to reaffirm that we do have the authority to regulate.

MR. SPEAKER: Thank you, Mr. Lafferty. Final supplementary, Mr. Yakeleya.

MR. YAKELEYA: Thank you, Mr. Speaker. Will the Minister consider withdrawing the reference question to the court?

HON. JACKSON LAFFERTY: The reference question is currently underway before the courts. The process is already underway.

MR. SPEAKER: Thank you, Mr. Lafferty. The honourable Member for Mackenzie Delta, Mr. Krutko.

QUESTION 64-16(5):
DEH CHO BRIDGE PROJECT

MR. KRUTKO: Thank you, Mr. Speaker. I'm not too sure who is going to take the question, either the Premier or the Minister of Transportation, but my question is directed at the revenues that we are going to have to drive to pay down the debt for the Deh Cho Bridge. They are going to be used as tolls on the Deh Cho Bridge, which I believe is somewhere in the range of \$9 million. This government is going to put in about \$4 million coming from the ferry operation plus \$2.7 million or \$2.2 million. Out of that, one thing I heard is we're seeing a decrease in traffic on Highway No. 3. This decrease means that our revenues are going to be lower coming forward to pay down that debt. Does that mean the government may have to look at options such as an increase in the toll, currently at \$6 a tonne, or come forward with a supp to offset that cost so they can pay down that deficit of, I believe, \$9 million a year over 35 years? I'd just like to know the alternatives if we don't have the traffic volumes to generate the tolls to pay the debt going forward over the next 35 years.

MR. SPEAKER: Thank you, Mr. Krutko. The honourable Minister responsible for Transportation, Mr. Michael McLeod.

HON. MICHAEL MCLEOD: Thank you, Mr. Speaker. The Member is correct; the intent to cover the cost of the bridge was to be in the form of toll revenue which we expect will be about 50 percent of what the costs are and also the savings from the operation of the ferry service and the ice bridge, which at the time the calculation was around \$1.7 million -- we expect that number is now over \$3 million -- with also another contribution from our government of \$2 million. That's the plan. The actual for the first year of the cost of the interest and principal and operations of the bridge will be around \$7.9 million.

MR. KRUTKO: I believe that this is an area we don't have control over. If we're not able to generate those revenues on traffic volumes, we will as a government have to pay those additional costs to ensure that we are able to pay down the debt going forward of \$7.9 million. I'm just wondering, the issue that's out there on the Taltson project, which with the Taltson project going into a diamond mine will take 2,000 vehicles off the Highway No. 3 system. Because of that situation which will decrease the volumes even more than what's already there in traffic volumes, has that issue been

discussed between the Department of Transportation and the Power Corporation in light of how you're going to make up that difference if you lose those traffic volumes of 2,000 vehicles?

HON. MICHAEL MCLEOD: My understanding is that the calculations for traffic expectations were very conservative. We are now compiling to get some actuals and then looking at what the costs would be required. We expect there is some additional activity planned in this area and we look forward to that. We are currently looking at how accurate our calculations were that were made several years ago and we expect there is some room for change.

As I indicated, there are additional savings on the ferry and ice bridge that we are currently paying. Now, with the Deh Cho Bridge Corporation not receiving the same amount of return we also are expecting some numbers that will result in a positive for paying down the debt. There are still some calculations that are being worked on.

MR. KRUTKO: Again, we are speculating on the numbers here, but I think it's something that we have to do at some point, realizing that we have two options. One is to increase the tolls. The other is that the government will have to put more revenues in to offset the costs associated with paying down the debt. I'd like to ask the Minister of Transportation, do we have any accurate numbers today on exactly what the traffic volumes are now and projected going forward, including the possibility of losing 2,000 vehicles here off these numbers going forward due to the Taltson project moving forward and the effect it will have in the next couple of years? I'd like to ask the Minister if that in-depth analysis has been done in light of the existing traffic volume decreases we're seeing today.

HON. MICHAEL MCLEOD: The Member is referring to something that we're trying to avoid right now. There is no calculation for something that's not concrete in terms of a project that is certain. The Taltson project has not been something that's been committed to and is not part of our forecast and has not been calculated in the traffic results. However, we expect that the formula that was used that has traffic volumes requiring tolls or paying tolls, commercial trucks, and the cost of operations of the current services, such as the ferry and ice bridge, along with a subsidy would suffice for covering the debt, which is \$7.9 million in debt service plus the operational costs.

MR. SPEAKER: Thank you, Mr. McLeod. The time for question period has expired; however, I will allow the Member a final supplementary question. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Speaker. I think it is a calculation this government has to do. We're talking about 2,000 B-Trains taken off the system, which is tens of thousands of tonnes per B-Train,

calculated by the \$6 a tonne. That is a major means of revenue for the Deh Cho Bridge in tolls. If you lose that, it means you're going to have to make it somewhere else. I'd like to ask the Minister if he could get his department to analyze that, hopefully consider that and bring it back to the House before we conclude our debate on this situation this week.

HON. MICHAEL MCLEOD: I suppose it's possible to go through that exercise. Right now our calculations are based on the base amount of commercial traffic that comes through regardless of what the industry is requiring, especially the mines, which is fairly stable. We recognize that it's probably down this year. We also measure the mine traffic which, again, fluctuates on a year-to-year basis, and we understand that number is down this year too.

Mr. Speaker, at the same time to try to incorporate a project that has not yet been brought forward for final approval or recognition is difficult. We also are in a difficult predicament when it comes to what new projects are going to be brought into the fold by the time the Taltson project kicks in. So there are a lot of things that would be very broad estimates that we are not calculating at this point. Thank you.

MR. SPEAKER: Thank you, Mr. McLeod. Item 8, written questions. Item 9, returns to written questions. Mr. Clerk.

Returns to Written Questions

RETURN TO WRITTEN QUESTION 1-16(5):
DIRECT APPOINTMENTS TO STAFF POSITIONS

CLERK OF THE HOUSE (Mr. Mercer): Mr. Speaker, I have a return to Written Question 1-16(5), asked by Mr. Bromley to Human Resources Minister Robert R. McLeod on March 1, 2010, regarding direct appointments to staff positions.

Later today, at the appropriate time, I will be tabling Direct Appointments for April 2008 to March 2009. This document lists the number of direct appointments made in each department during the fiscal year to date and fiscal year 2008-2009.

Departments request Cabinet's approval for direct appointments under the relevant guidelines found in Appendix 4, Guidelines and Format for Recommending Direct Appointments of the Executive Council Submissions Handbook. Cabinet approval is required prior to any direct appointments to the public service.

The Department of Human Resources is unable to keep a record of the number of vacant positions by the dates a direct appointment is made.

While the Department of Human Resources reviews direct appointments, Ministers responsible

for departments submit them to Cabinet for approval.

The Department of Human resources also does not keep a record of the number of direct appointments made after the staging of competitive staffing actions. As per Cabinet's Guidelines and Format for Recommending Direct Appointments, departments must demonstrate why the open competition process is not expected to maximize benefits to the Government of the Northwest Territories with respect to the staffing of a position.

Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Clerk. Item 10, replies to opening address. Item 11, petitions. Item 12, reports of standing and special committees. Item 13, reports of committees on the review of bills. Item 14, tabling of documents. The honourable Premier, Mr. Roland.

Tabling of Documents

TABLED DOCUMENT 8-16(5):
SUPPLEMENTARY APPROPRIATION NO. 2,
2010-2011 (INFRASTRUCTURE EXPENDITURES)

HON. FLOYD ROLAND: Thank you, Mr. Speaker. I wish to table the following document entitled Supplementary Appropriation No. 2, 2010-2011 (Infrastructure Expenditures). Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Roland. The honourable Minister responsible for Human Resources, Mr. Bob McLeod.

TABLED DOCUMENT 9-16(5):
DIRECT APPOINTMENTS, APRIL 2008 - MARCH
2009, AND APRIL 2009 - FEBRUARY 2010

HON. BOB MCLEOD: Mr. Speaker, further to my Return to Written Question 1-16(5), I wish to table the following document entitled Direct Appointments, April 2008 - March 2009, and April 2009 - February 2010. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. McLeod. The honourable Member for Yellowknife Centre, Mr. Hawkins.

TABLED DOCUMENT 10-16(5):
ARTICLE: BRIDGE DESIGN AND ENGINEERING

MR. HAWKINS: Thank you, Mr. Speaker. Mr. Speaker, I'd like to table an article from a magazine called Bridge Design and Engineering. It's a UK magazine and someone had brought it to my attention, so I'd like to table the article regarding the Deh Cho Bridge Project. Thank you.

TABLED DOCUMENT 11-16(5):
PREMIER'S CORRESPONDENCE, MARCH 4,
2010, ON GOVERNMENT'S REQUEST TO
RECONVENE THE HOUSE MARCH 23, 2010

MR. SPEAKER: Thank you, Mr. Hawkins. I wish to table correspondence dated March 4, 2010, from the Premier of the Northwest Territories conveying the government's request to reconvene the House for the period of March 23rd to the 26th, 2010.

Item 15, notices of motion. Item 16, notices of motion for first reading of bills. Item 17, motions. Item 18, first reading of bills. Item 19, second reading of bills. Item 20, consideration in Committee of the Whole of bills and other matters: Tabled Document 4-16(5), Executive Summary of the Report of the Joint Review Panel for the Mackenzie Gas Project, and Tabled Document 8-16(5), Supplementary Appropriation No. 2, 2010-2011 (Infrastructure Expenditures), with Mr. Krutko in the chair.

**Consideration in Committee of the Whole
of Bills and Other Matters**

CHAIRMAN (Mr. Krutko): I'd like to call Committee of the Whole to order. In consideration in Committee of the Whole of bills and other matters: Tabled Document 4-16(5), Executive Summary of the Report of the Joint Review Panel for the Mackenzie Gas Project, and Tabled Document 8-16(5), Supplementary Appropriation No. 2, 2010-2011 (Infrastructure Expenditures). What is the wish of the committee? Mrs. Groenewegen.

MRS. GROENEWEGEN: Thank you, Mr. Chairman. Mr. Chairman, the committee today would like to deal with Tabled Document 8-16(5), Supplementary Appropriation No. 2, 2010-2011 (Infrastructure Expenditures).

CHAIRMAN (Mr. Krutko): Does committee agree?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): With that, we'll take a short break and begin with Tabled Document 8-16(5), Supplementary Appropriation No. 2, 2010-2011 (Infrastructure Expenditures).

---SHORT RECESS

CHAIRMAN (Mr. Krutko): I would like to call Committee of the Whole back to order. Prior to the break we began with Tabled Document 8-16(5), Supplementary Appropriation No. 2, 2010-2011 (Infrastructure Expenditures). With that, I would like to ask the Premier if he has any opening comments. Mr. Premier.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. I am here today to present Supplementary Appropriation No. 2, 2010-2011 (Infrastructure Expenditures). This document

outlines a request for \$165,439 million for capital investment expenditures in the 2010-11 fiscal year.

This supplementary appropriation seeks authority to record the work completed on the Deh Cho Bridge Project and to record and use the remaining cash available to complete the project.

This appropriation authority is required as the project will now be recorded directly as a GNWT asset in our financial statements. Up to now, the project has been recorded on the GNWT's consolidated financial statements. However, by assuming direct responsibility for the project, as well as for the project debt, the GNWT will now be recording the project on our non-consolidated statements and project expenditures will now be made from the GNWT's consolidated revenue account.

In other words, the project will now be a GNWT capital project and will be recorded as if it had been one from the start. The project cash will now form part of the consolidated revenue account and thus requires the Department of Transportation to seek authority to draw it down in order to pay for phase 2 of the project. This is similar in process to the way our government flows money from the federal government for infrastructure projects such as Building Canada projects and the recently approved funding for the project description reports on the Mackenzie Valley Highway, where the department required an appropriation to draw down federal funding.

As Members are aware, the lenders in the Deh Cho Bridge Project have notified the GNWT that they are exercising their rights to oblige our government to assume the project debt. Because assuming this debt could result in the GNWT exceeding our borrowing authority, we have sought federal authority for this debt. Federal Finance Minister Flaherty has committed to accommodate the GNWT's ability to manage fiscal pressures within a borrowing limit, prompted by the short-term requirements associated with the Deh Cho Bridge Project. This will likely take the form of a temporary increase in the borrowing limit. Discussions with Finance Canada on the specifics are ongoing.

The Minister of Transportation will be joining me at the witness table. I am prepared to review the details of the supplementary appropriation document. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Premier. At this time I would like to ask the Premier if he will be bringing in any witnesses. Mr. Premier.

HON. FLOYD ROLAND: Yes, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Does the committee agree that the Premier brings in his witnesses?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Sergeant-at-Arms, please escort the witnesses in.

Mr. Premier, can you introduce your witnesses for the record.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Joining me at the table to my right is the deputy minister of Finance, Ms. Margaret Melhorn; to my immediate left is Minister Michael McLeod, Minister of Transportation; to my far left is Mr. Russell Neudorf, deputy minister of Transportation. Thank you.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Premier. Welcome, witnesses. General comments. Mr. Hawkins.

MR. HAWKINS: Thank you, Mr. Chairman. First off, I do support the principle of the bridge project. I certainly believe strongly that this is the type of infrastructure that needs to be built in the Northwest Territories. I also believe strongly when I had asked last month about why haven't we sought federal government support, why hasn't the federal government come to the table to assist us with this project. I think that seems to be a significant gap in this process that has been happening.

Today I tabled an article from a magazine called Bridge Design and Engineering. It is a magazine from the UK. It defines itself as the definitive publication for bridge professionals worldwide and they do sort of an overview of the Deh Cho Bridge, oddly enough. It is an article called Remote Control, which I am still trying to figure out why they called the Deh Cho Bridge article a remote control. But what was interesting and stunning about this overview is it highlights a particular section of interest. It says, an independent review of the original superstructure which was done by TY Lin International identified that there were numerous deficiencies and felt that the bridge was deemed unbuildable.

Mr. Chairman, I think that really starts towards the beginning of the problem, which is ultimately the government in the 15th Assembly went forward, signed a bridge agreement, as we have all heard. It was a fixed price, fixed contract and completed design and yet that seems to be where the real problem started. I am not talking about the decision to do the bridge or not. I mean, that is a different issue altogether. Ultimately, once we were albatrossed with the deal, there seems to be problems from the bridge outwards and they just haven't stopped.

Mr. Chairman, my opening comments are more reflective as to what are we doing with respect to stuff like that. TY Lin International is a significant corporation that reviewed the bridge. It is an extremely strong statement to say that the original bridge was unbuildable. A company doesn't make

that type of statement willy-nilly, if I may put it as simply as that.

I am kind of wondering if our government is pursuing the original bridge design or some of these costs. I think some of the costs have all been associated to the fact that the bridge was designed poorly and it was sold in a context that it was a complete design ready to go for a fixed price.

Mr. Chairman, at this point, that is really where my concern will start. Although I have a number of concerns as we go through this process, I am sure that they will all come to light through that.

I would like to hear more about how the Deh Cho Bridge Corporation will be involved and what role they will play. I would like to hear more from the Minister when we get into this concession agreement and how will it be inactive when it relates to the Deh Cho Bridge Corporation.

One of the things I did was when I pulled the Deh Cho Bridge Act the other day, I was curious to find out if any of the regulations at this point have been drawn up. If they had been drawn up, I certainly would like to hear a little more about that.

Mr. Chairman, just for opening comments, I think my real concern will begin with the fact that an independent review had, I think, hit the nail right on the head, which is the fact that this government accepted a contract, signed a contract on good faith that the bridge was a complete bridge ready to go and we find out later it was not. We spent a lot of time, a lot of delays associated with money and a lot of frustration that was caused throughout this House.

I still believe in the bridge project in principle. I think that it will provide a significant legacy infrastructure for this Territory that I do believe needs to be built. I wonder if one of our fundamental problems have to do with the design of the bridge and us accepting that contract under that theoretic good faith that it was ready to go. I would certainly hope that either the Minister of Transportation or, of course, the Premier, who is acting on behalf of the Finance Minister I believe, will assure me that our government is taking appropriate steps to pursue the original bridge designer, who I think is one of the fundamental problems of this.

Notwithstanding that, I certainly think that the price our government did sign on to this project was certainly outrageous and there certainly could have been more ways to work this project. Setting the size and the price of the bridge aside, it really comes down to the bridge being designed with significant fault and are we pursuing that at this time. I'll leave that as opening comments. I will certainly have questions as we proceed through.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Hawkins. Mr. Ramsay.

MR. RAMSAY: Thank you, Mr. Chairman. I'll be happy to provide some opening comments on the Supplementary Appropriation No. 2 that's before us. I'm having a great deal of difficulty with supporting this. I'll say that up front. I have been critical of the project from the very beginning. I mentioned earlier today in my Member's statement that I just see one bad decision being compounded by another bad decision. For the life of me I cannot understand why we're not going to complete an audit of the project. That is going through the books of the Deh Cho Bridge Corporation, going through all the records of the engineers, getting a full stock of where we've been in an effort to try to move forward.

I'm not interested in going back in time and going over who did what and when, and playing pin the blame on the donkey. I'm not trying to do that. What we have to do is try to move the project forward in a coordinated way. I know the Department of Transportation is committed to doing that. You see the project management team that's been assembled. It's a comprehensive one. It's a good one. It is a good team. But in saying that it's a good team, why wouldn't we, when a project is basically stopped midway...and I debated this with the Minister who says it's 50 percent done, but I don't quite agree with that. I don't think it's close to 50 percent. When a project is stopped mid-stroke you should at the very least find out how you got to where you got to before you enter into any contract and commit any more public dollars to a project like the Deh Cho Bridge Project.

Why we would be in such a rush to get into a sole-sourced negotiated contract with one company, again, for the life of me, I do not understand. I mentioned it earlier and that's probably why I'm not going to end up supporting this, because on principle I think it has to go through a complete audit. We have to get a handle on where it's been in order to move it forward. I don't see it happening and I don't understand how you can do an audit with one hand and sign a contract with another hand and the new contractor try to carry out the work when there's all this other stuff hanging in the background. It's not something I think is a good decision. With all due respect to the Minister and the government, I disagree with them 100 percent that they're doing the right thing by negotiating a contract with one company on this bridge, given the history.

Given the history we obviously didn't learn anything through the exercise with ATCON. That was a negotiated sole-sourced contract with ATCON as well; supposedly a fixed-price contract. It never ended up being that way and even the numbers are moving around as we speak. The numbers we talked about, and the Minister knows what those numbers are, when he came before us, there's a difference between what we were told was going to

be signed with Ruskin and what was actually signed with Ruskin. There's a bit of a difference there. And that all happened in the past couple of weeks. What work is that for? Is that for work that we have already supposedly paid for? I think it's for the approaches or the abutments.

Again, things are just changing. For me what this exercise is going to be about is trying to get some things lined up and try to get a chronology of events of when things were said, when things happened, and try to make some sense of it. Right now I'm at a bit of a loss as to why some things are said when they're said and why other things are left out or omitted when I believe the government knew full well what was going on and didn't divulge that to Regular Members.

Now, interestingly, I had some questions for the Minister of Transportation earlier about the lenders and the more I think about it, when the lenders gave the Government of the Northwest Territories, through the Deh Cho Bridge Corporation, access to that construction account to the tune of about \$75 million, they did so because they were interested in seeing the project move forward, like us. It was a good relationship. That relationship soured at some point in time. The lenders got so that they locked that construction account up in December of last year. No money was flowing out of that construction account. When they write letters -- I'm not sure who the letter went to, the Minister of Transportation, the Premier, or the Finance Minister -- to our government, you can rest assured that somewhere in those letters it just doesn't say N-O, you're not getting any more money. It should specify exactly the reasons why the lenders do not want to proceed with lending money out of that construction account. I would like to at some point in time see the letters that we got back from the lenders and see exactly what they say. I think those letters would probably paint a pretty good picture of why the lenders were getting scared. Did the government act when they should have acted? Did they wait?

Here we are, it's almost April and the big reason why the government didn't want to go to tender on the second half of this project was all about timing. They always said it would set the project back a year. I don't buy that it's going to set the project back a year. I think if we had gone to tender -- and Ruskin could have rightfully bid on that contract and won the contract, who knows what would have happened -- at the end of the day I could rest assured and tell my constituents that we managed the public purse the best way that we could, we went to tender, we got the best price, we had a design that was finished and we got the work done. That's what I want to be able to tell my constituents. I can't tell my constituents that because I know that's not the way things happened. We negotiated a sole-sourced contract with one company. And

that number is moving. It's a moving target. Why is it a moving target? Because I do still believe today that there are things in that design that are unfinished and are going to cost us more money as we move this project forward. I hope I'm wrong on that, I really do, but I really don't believe that I'm going to be wrong.

I also don't believe that the bridge is going to be constructed by November 2011. I really do not believe that. And I do not believe for one second that this bridge is going to cost the government and the taxpayers in the Northwest Territories \$181 million. It is going to cost more than that. You can mark my words that it is going to cost more than that. I hope I'm wrong, but it is going to cost more than that.

There are other issues at play that I'm going to address and questions as we move forward. I want to give other Members a chance to provide some opening comments. I want to know quite specifically when the government signed a notice to award the contract to Ruskin or when the Deh Cho Bridge Corporation signed that contract, when they signed the intent to award, when they signed the notice to proceed. I want to know who signed it.

I want to know what legality the Government of the Northwest Territories has on that contract that the Deh Cho Bridge Corporation signed with Ruskin. Where do we fit in all this? I think that's an important aspect as well. I also want to know if it's not too late to get out, to stop what we're doing and take stock of where we've been and where we need to go, and get the best price that we can. Go to the marketplace for the second half and move on. That's what people want to see us doing. They don't want to just see us giving out sole-sourced contracts to the closest guy there. That's what we're doing. It doesn't make much sense. The only argument I can see is the fact that we might have to pay some interest, but nobody's proven to me that going to the marketplace is going to save us \$15 million or \$16 million. We have to pay \$8 million if it's going to go past November 2011. That's going to be a big issue. It's going to go past November 2011 guaranteed. I almost guarantee you that. It's not going to be finished by then.

I'll have a lot of questions here and I look forward to asking them and trying to get some answers.

CHAIRMAN (Mr. Krutko): Next I have Mr. Abernethy.

MR. ABERNETHY: Thank you, Mr. Chairman. I have to say that I'm a little frustrated actually being here today. I'm a little frustrated that the first time that the Members of the 16th Legislative Assembly get to vote on anything on the bridge, the vote is such that we really don't have a choice. We pretty much have to vote yes to this thing. If we don't vote yes to this thing it's still going to cost us the same or more money. The delays will actually, in my

opinion, result in far greater expenditures than the incredibly high expenditures that we're already dealing with today. It's frustrating and it makes me a little angry.

I think this project has been managed poorly since day one. I think the 14th Assembly made a mistake signing the Deh Cho Bridge Act. I'm not convinced that the Deh Cho Bridge Act is a good act. If anything I hope that this Assembly and future Assemblies learn from what we're going through today and never ever sign anything like the Deh Cho Bridge Act into existence again. It was a mistake and it's going to cost us dearly forever.

I'm frustrated and angry that in the 15th Assembly, in the dying days of the Assembly, the Premier rushed this thing through and signed a concession agreement. It frustrates me to no end that we got stuck with this particular construction project without some reasonable and responsible decision-making beforehand.

I'm frustrated and I'm angry that the Deh Cho Bridge Corporation, in my opinion, has mismanaged this file. They had the faith of this government at one point to take this forward and build a bridge in the Northwest Territories, one of the largest infrastructure projects in the history of the Northwest Territories and, quite frankly, I'm of the opinion that they blew it. I'm not convinced that the project management team had the skill to manage such a large infrastructure project, yet they were the ones that were in charge and we sat back and watched them move forward and fail miserably.

I'm frustrated that the information that we've asked for on a regular basis comes to us, the Minister seems confident with it and rightfully so, and then two weeks later he's getting new information and as a result we're getting new information. We weren't getting consistent information from the Deh Cho Bridge Corporation. So I'm frustrated there as well.

And here we are today, faced with this supp that if we don't approve it, it's going to cost us more money in the long run. If we turn back and say to heck with the bridge, no bridge, we still have to rip those piers out of the water, put it back to the state it was in, and then there are penalties we're going to have to pay and all sorts of things we're going to have to pay. It's probably going cost us more to rip that bloody thing out of the water than it is to actually go forward and finish the construction of this thing.

So here we are. We have no choice. In my opinion we have to support this supp. From what I've read and understand, it's not really today if things go smoothly – and, God, let's hope that they do -- if things go smoothly, it's not really going to cost us any more tomorrow other than the \$15 million that we had planned originally. It's going to cost us our ferry operations, it's going to cost us the \$2 million a year, which we knew about all along, and it's

going to cost us some operation money, which we knew about all along. I don't see anything changing, other than the fact that now the money has to flow through us.

I think Cabinet, the Premier, the Minister, have a responsibility here to make sure that the people of the Northwest Territories understand what is happening with respect to this supp and how it's going to impact us. Some questions have been asked earlier today and I'm glad they were asked and I'm glad they were answered. I'm not sure the answers were as clear as the people of the Northwest Territories deserve and I would like to seek some additional clarity as we move forward. I will be trying to ask the questions in a certain way that we can hopefully get some answers later on today when we get into the detail.

But to begin with, I've had some people talk to me about their frustration with the Deh Cho Bridge Corporation, and clearly, as you can tell, I'm frustrated with the Deh Cho Bridge Corporation. Are they going to be getting any profits out of this as we move forward? I mean, we've now taken over this, we've now taken on the debt, it's our project, it's our bridge. There are a lot of people who have told me that they don't want the Deh Cho Bridge Corporation, which so brutally managed this thing to begin with, to, you know, get a significant amount of profits. I understand that they do have some equity and that there should be a little return on equity, but we should be careful how much equity or how much profit they get out of this project, because it will be offensive to a lot of people who watched this project struggle and struggle and struggle.

I want the Premier to help the people understand the real impact this could have on our borrowing limit, and there has been some suggestions or some answers to that today, but I'd like it to be broken down into as simple a language as we can so that the people really understand what this could do to our borrowing limit today, tomorrow, five years from now.

One of the most important things to me is I'm not convinced that the project management team of the Deh Cho Bridge Corporation had the skill, like I've said already, to manage a project of this magnitude. I want to know, and I want the Premier and the Minister to make it clear to the people of the Northwest Territories, the qualifications of our new project management team. I don't 100 percent agree with my colleague Mr. Ramsay. I think this bridge can come in on time, and I think it can come in on the budget allocated, assuming that our project management team has the capacity, the knowledge, skills and ability to handle a megaproject of this size. I want you to tell me about our new project management team, and I want you to tell me how they meet those knowledge, skills,

abilities and qualifications to manage a project of this size. And if they do, if they are the experts that I hope they are, I believe that we can come in on budget and I believe that we can get this project done on time, because if we don't, the ramifications are significant, as Mr. Ramsay pointed out. If we're late, it's a million dollars a year, \$8 million a year on top of what we're spending already. That's very risky, and you guys don't have a lot of time to get this done and get this done right.

I talked a little bit about the timeline. I want to know, you know, is the timeline your timeline, is the timeline the Deh Cho Bridge Corporation's timeline, or is the timeline a new project management timeline, this new group, the Associated Engineering Group who is going to be project managing this. Is that time realistic to those experts? And if it isn't, we need to know, and we need to know right now, because it might affect our vote on this particular supp.

I also want to know about cost control. I believe experts can probably manage the cost, but I want you to talk a little bit to us -- and I'll be asking questions when we get into the detail -- about some of the cost control measures that are in place. How are we going to ensure that the build is managed and controlled and that the costs are managed and controlled better than they were in the past when the Deh Cho Bridge Corporation was running it, where, in my opinion, they weren't managed all that well, otherwise we wouldn't have had to come up with a \$15 million supp on a project that had a fixed cost to begin with.

There are a lot of problems here. I'm frustrated. I'm angry that I have to vote on a supp where there's really no choice but to support the darn thing, otherwise costs are going to flare up even higher. When we get into the detail I'm going to ask some questions, and I'd like some plain English answers for the people in the Northwest Territories who, in my opinion, deserve clear, concise answers on this bridge. Thank you.

CHAIRMAN (Mr. Krutko): Next I have Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. I, too, don't feel that this bridge, never felt that this bridge was a benefit to anyone that I represent in this Legislative Assembly. However, from the very outset I initially believed that this government was in for the amount that was guaranteed to the Deh Cho Bridge Corporation in the concession agreement of something in the neighbourhood of \$9 million to \$10 million. I initially believed that. I didn't know at the very beginning, in October 2007 when I was elected and there was discussion on the Deh Cho Bridge, that this government had guaranteed the loan of \$165 million. That wasn't made clear, to me anyway. I don't know how clear that was to anyone else in the House. However, to me, from

what I heard in the House, in exchanges I heard in the House, it was a \$9.5 million loan guarantee was what this government was in for.

Now I find out that we're actually in it for the full \$165 million. I guess, you know, it should have been actually something that I could have figured out myself, actually, because the equity partner, the private partner didn't have any equity. Therefore, how could a company without equity borrow \$165 million to build a piece of infrastructure that really has a questionable return on investment? So questionable, in fact, the government would have to support the operations of the bridge by using all of the money that is now being spent on ferry operations and the operation and construction of the winter road that goes across the Mackenzie now at this point.

Now the bridge is at \$181 million and on February 1st, I believe it was around February 1st, between the 29th of January and February 1st, this government returned to members in Priorities and Planning for a supplementary appropriation of \$15 million. At that point my question was are we beyond the point of no return and should we stop the construction of the Deh Cho Bridge, pull the piers out or leave the piers in for maybe potential future construction; however, at that point, abandon the project. However, it appeared as though the costs at that time, which appeared to be fairly significant for getting nothing, were, I believe, well over \$100 million already. So it seemed as though we were beyond the point of no return already in February when the last budget session started. We were advised that the project was now 50 percent complete at that time. The project now has four more piers, and we heard that it's 50 percent complete now.

I'm not sure that the information that we went with on February 1st was exactly 100 percent accurate; at least it wasn't in my mind. I still, like my colleague Mr. Abernethy, feel that we have no options. I think our option to stop at this point would probably do further financial damage to the Government of the Northwest Territories than proceeding. However, I think it's going to cost more than what is estimated at this point.

I'm no expert in bridge building, but I do see the trend going from what the initial cost was, I believe, in 2004, of about \$52 million was the budget. It's gone from that to a signing of \$65 million to \$165 million to \$181 million. Now we're finally out of the water and we are going to be essentially building the bridge over top of the piers at this point.

I said it before back on February 1st that I felt that this bridge would cost a lot more than what is budgeted at this time. I still think it will. In the best-case scenario it doesn't cost any more. However, we are taking on a major long-term debt. I do believe that the Government of the Northwest

Territories builds infrastructure, borrows the money to build infrastructure and then quickly, with surplus dollars in the immediate years preceding the completion of infrastructure, starts to pay it back so that at some point it is still potentially possible for the government to reduce its debt down to zero. It is still potentially possible. This makes it not possible unless we pay huge penalties. So we are kind of into this for a very long term.

I will question the government when I have an opportunity to. I am very interested in why the loan is structured the way the loan is structured. I am interested in why the government was not able to negotiate a term shorter than 35 years. I am not talking about the full amortization period here, Mr. Chairman, I am talking about the term of the loan. The fact that the amortization is 35 years and the term is 35 years meaning that at no point during the 35 years of the loan does the term actually expire and the government has the opportunity to renegotiate this loan under better circumstances. I am curious about why the government is not able to do that when we have an Aa1 credit rating. If that is something that is supposed to be positive -- I am assuming that it is positive -- I will be concentrating on that because, like I said, the best-case scenario is we have major impacts for our government to provide infrastructure for the rest of the Northwest Territories. It has a major impact upon that.

As a representative of small communities like many of us around the table that don't have infrastructure in place for our communities, we probably are not going to get it. That is because the money or the credit or the limits of our ability to provide more infrastructure to communities will be limited. We will be negatively impacted by the cost of this bridge even in the best-case scenario when this bridge comes in at \$181 million. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Beaulieu. General comments. Next I have Mrs. Groenewegen.

MRS. GROENEWEGEN: Thank you, Mr. Chairman. I feel like I have already said so much about the Deh Cho Bridge. It is probably the single topic that I have spoken to most in this Legislature in my 15 years that I have been an MLA. I don't know what good it is to rehash everything that has already been brought up by other Members here today except I do feel obligated to my constituents to be on the record in this matter.

I think Mr. Abernethy did an excellent job of summarizing the situation where we find ourselves today.

Mr. Chairman, if we could argue that the bridge over the Mackenzie River is a useful piece of infrastructure that has merit, I guess the thing about the entire process that has been the most offensive to me as a Member of this Legislature, as an elected member, would be sheer inability to get

information in a timely manner that would have normally been involved, if this would have been available, if this process had been a normal capital planning and capital project process. I think that has been the most frustrating. We are trying to do our job as MLAs and to be accountable to the public. This is a piece of public infrastructure. I could go back at the many turns in the road, the many junctures where we tried to get information and the fact that it was the Deh Cho Bridge Corporation that was acting essentially as an agent for this project was the shield or the veil or the barrier that was put up to us that did not allow us that kind of scrutiny that we would normally apply in doing a good job of doing what we do, and that is to be accountable. That is one of the most frustrating things for me.

Would we have voted to spend \$165 million of our capital on the Deh Cho Bridge had this not been done through this Deh Cho Bridge Corporation Act, and had this not come about the way that it did would we as a government have put ourselves in the position where we would have wanted to build something like this?

I think my colleague Mr. Beaulieu said that perhaps we wouldn't have put this much of our capital budget into one project. Perhaps we would have spread it around to more communities, to more different types of projects, because \$165 million or \$185 million certainly represents a lot of capital infrastructure in a lot of places had we not done this.

But having said that, we are where we are today. We can't change the past now.

It would be really sad going forward if this bridge turns out to have some structural problem with it. I think that would be the absolute insult on injury in this case, but we are assured by the Department of Transportation officials that every reasonable effort is being made to ensure the quality of the construction of this and that all industry standards are being adhered to.

As someone said, we are not bridge engineers. We are completely lay people when it comes to that kind of expertise. We are heavily relying on the commitment and on the word of the Minister of Transportation and his officials when they tell us that everything is above-board and everything is to the highest standards for quality. Because that would be quite unbearable to the people of the Northwest Territories to not only have a project that perhaps was not our priority and was not our way that we would have spent this money, but to have something that would be defective in some way going forward would be just an absolute shame.

I have absolutely no evidence that there is such a problem, but, as I said, we find ourselves where we are today. As I said in my Member's statement today, one of the redeeming qualities of this project,

when we build a school or we build a hospital or build other types of infrastructure in the Northwest Territories, there is no way of generating revenue off of those. Those are straight outlay for capital and ongoing O and M. One of the redeeming qualities I suppose, if there are any of this project, is that if the traffic continues and if the tolls are collected, this debt can be paid off in a businesslike way for this piece of infrastructure. That is one thing that does make it unique. I hope the trucks keep rolling. I used to take the position that I didn't support the bridge, but, well, as long as the people in Yellowknife will pay for it, I guess I could maybe just not lay awake at night and worry about it quite so much.

I always said it wasn't going to impact the financial standing or situation of the rest of the people of the Northwest Territories, but if the plan going forward goes awry in any way, if there are problems with the bridge, if our projections for total revenues are wrong, I guess it will require everyone's participation to now be involved in this project.

I suppose at some point in time there would have been a desire on the part of the people of the Northwest Territories to have a bridge over the Mackenzie River at Fort Providence. There are issues of inflation. There are issues of global warming that may have impacted the length of the season when we could have an ice road across the Mackenzie River. There are things that maybe hopefully we will look back on some day and say that it was good to get this piece of infrastructure in place when we did. I hope that's the case, but I suppose only time will actually tell.

So like my colleagues who have already spoken, I don't see any other choice but to support this today. I suppose I could say on principle and to be consistent with every position I've taken on this bridge, to be consistent I could, I suppose, vote against this. But I don't think that would be the right thing for me to do. I hope that people out there in the public who might have been expecting me to do that, to really stand up against this, because there is a lot of opposition to this project and the way it's been handled out there in the public, and maybe there would be an expectation that I would vote against it on a matter of principle and on a matter of sending a statement to this government. But the reality is that the bridge is half built. We're the guarantors of the loan. The loan has been called. We have no choice but to step up to the plate on this project. But going forward, let's do everything in our power as a department and as a government to ensure that we bring whatever we can to this to make it a quality project and a viable project from the cost-benefit analysis and the projections that we base this on going back many years.

CHAIRMAN (Mr. Krutko): Thank you, Mrs. Groenewegen. Next on the list I have Mr. Bromley.

MR. BROMLEY: Thank you, Mr. Chairman. At the risk of repeating some of what I've heard, I think for many aspects of this project many Members are on the same wavelength. I can't believe even our government members here are feeling particularly good about this situation.

I think our first failure, in my mind, was the inability or lack of success at getting the government to determine what it would cost us to buy our way out of this project in the early days of the Assembly, as many of us explicitly and repeatedly requested. Nevertheless, we didn't do that. We went forward and sure enough we're where many feared we would be.

As we've heard, this project has both a checkered technical history as well as political history. I know amongst the public certainly, and among some MLAs, the concerns persist that the technical aspects have not been fully resolved and are we further buying a pig in a poke here with approval in going forward with this.

I guess I want to know that with the new managers we have now hired, technical people and project managers, will we start with a thorough examination of the work done to date, both onsite physical inspections, technical, almost forensic inspections, as well as the inspections of documentation to assure that indeed what we have to go forward with is sound. That will be a very important aspect to the foundation for both this Assembly and members of the public. So I would expect that would be done and that would be reported back to both the public and to Members of the Assembly.

The questions remain on what the role of the Deh Cho Bridge Corporation will be in the future. I think this needs to be resolved in a way that will not add to costs. If we can go forward without them playing a role and perhaps work with them in other ways that are productive and keep costs down, that's something that I think we should entertain out of belated responsibility here again to our public and our taxpayers. I'd also like to see an assessment along with this appropriation of what our actual internal costs have been, and continue to be, and are projected to be. I'd like to see that reported again in the same way.

I'm wondering if I could ask a quick question before I go further here. Are the fiscal frameworks and projections that have been provided to us in committee, is that something we can speak to specifically?

CHAIRMAN (Mr. Krutko): Thank you, Mr. Bromley. I believe the agreement was we would allow everybody to make their general comments then we would ask for questions to the Minister, but we will have an opportunity to rebut your general comments after the Ministers have responded to the questions they are being asked now. You will have time to debate the response after we hear

back from the Ministers on your questions now. So to be fair to the other Members, I think we'll just keep going through the other Members, because we still have five Members on the list.

AN HON. MEMBER: He's got five minutes left.

MR. BROMLEY: Okay, Mr. Chairman. So I can't get that clarification before, so I'll speak in general terms here.

From what I've seen of the fiscal frameworks and projections, they were developed with densely rose-tinted glasses. They include projections that we've never achieved, to my knowledge. I'm wondering how many years we will be over our debt limit. I know that what was indicated in those frameworks is clearly not reality.

It speaks to the fundamental aspect that we need to know. I think we're boxed in. We need to do this. But the most important thing to me is that we do it with a full appreciation of what the implications are so that we can best manage those implications. If we don't do that, we'll be again seeing things happen and reacting to specific events sort of randomly as opposed to in a planned way. Rose-tinted projections, we know that's not the case. They look great, but the world just doesn't work that way. If things went according to Hoyle it would be that way, but generally it's Murphy that's in control.

One of the aspects is this will be limiting our services and infrastructure in real terms. That's why I think we need to get real projections to work with realistic projections and do what we can to minimize those impacts.

Finally, and I've mentioned this before in statements, how can we limit such irresponsible actions as those that have taken place and saddled this government with this situation in the future? To me that's a question that is a serious question. We don't want to repeat this in the future. So let's put some thinking into that along with this.

I guess I'll just finish by saying, along with everybody else, that this isn't a great feeling, but we're stuck with it. Constituents are contacting me, as well, saying don't approve this. Unfortunately, that could be more costly than approving it.

Again, I hope the Minister heard my remarks about ensuring that what we have on the ground is totally sound and reliable and that will be confirmed and reported back to us before we go forward. I'll leave it at that.

CHAIRMAN (Mr. Abernethy): Thank you, Mr. Bromley. Next on my list is Ms. Bisaro.

MS. BISARO: Thank you, Mr. Chairman. As stated by Mr. Bromley, at the risk of repeating things I feel that I must make my comments known in terms of this particular supp and how I feel about the bridge.

I stated last month in a statement that I was very disappointed that the supp we had to approve last

month was simply confirmation of my doubts about the viability of the whole bridge project. I've had concerns since I was first elected to this Assembly. Those concerns, unfortunately, were validated. That was very disappointing, very depressing, I think I stated at the time.

Like Mr. Abernethy, I am extremely frustrated. This project was one which I, like the residents of the NWT, inherited without any input. We came in after the fact. As Members came in after the fact, some of us. Residents have never really had any input on this particular project at all and what we've come to now is an absolute worst-case scenario. The government backstopped this particular project, guaranteed that the project would go forward, that we would guarantee the funding for this project, and that the worst-case scenario, in my mind, is we now have to do that. We have to pick up the loan, we have to pick up the debt, we have to finish the project.

I'm particularly frustrated, I'm depressed, I'm disappointed because I feel backed into a corner, because I agree with Mr. Abernethy who, I think it was, said -- or Mr. Beaulieu, I don't know which -- we have no option. We could vote the bridge down, but other people have spoken to that. It really isn't a realistic option.

I, like others, feel that this project has been poorly managed from the outset. Whether that's the fault of the Deh Cho Bridge Corporation or the fault of this particular government and our employees within the government I'm not very sure. I do know that we, according to the concession agreement, I think there was an opportunity for a project management board to be established. One was established. It was a two-member board. I would have thought that the project management board would have been the vehicle through which the project would have been overseen and that there would have been these two individuals keeping a fairly tight lid on what was going on and monitoring what was going on and making sure that the project was being managed properly. Apparently they really only looked at financial matters and didn't really have much of an oversight in project management, if my understanding is correct. From what I understand as well, that board was disbanded last summer. So there hasn't been any real work for that board since some time last summer. I have concerns relative to the management of the project and sort of how we got where we are.

I also have a number of other concerns. One of them particularly is some of the figures that we are being advised in terms of the repayment of the loan and of the debt. We're working with figures which are at this point almost two years old. I have stated in committee, and I will state here for the record as well, that we need to have estimates, updated

estimates of the expenses that are going to be incurred for this project or this bridge once it's done and estimated numbers for the revenues that we expect to garner from the bridge once it's done. There are about four or five different items and I realize that it's difficult to be totally accurate, but I'm asking for an estimate. I'm not asking for a totally accurate number. For me to make a decision on any matter -- and I'm being asked to make a decision on whether or not this supplementary appropriation should be voted in or out -- I need to have that kind of information. I can't really accurately consider whether or not we should take on this debt if I don't know whether or not our expenses and revenues are going to match when it comes time in November 2011 when this thing is presumably finished.

I think it is important relative to finances, as well, that we keep the Deh Cho Bridge expenses and revenues in a separate fund, that we treat them separately. They will be within the Department of Transportation, but I think we ought to set up a fund and deal with them separately so that we have an idea of what the total costs for this project are when it comes time and I think it will, as the years go by, provide a better idea of whether or not our expenses and our revenues are accurate and whether or not we're spending too much or whether we're making lots of money.

I have a concern for our future years' budgets. I think that with the inclusion of this additional debt that we are going to probably have to revise our spending downwards somewhat. Again, we don't have really good information on how our budgets are going to have to be revised downwards, but nobody has yet been able to tell me what the impact is in terms of, say, the budget for 2012-13 or 2013-14. How is this additional debt going to impact the amount of expenditures that we're going to be able to have in those years?

I have a concern for the Deh Cho Bridge shareholders. They're being pretty much chucked out, the baby with the bath water kind of thing. What are they going to be left with?

The other concern is what is going to happen to the Deh Cho Bridge Corporation? I know that things are being worked on, but when are we going to know what our relationship to the Deh Cho Bridge Corporation is? It's, again, an unanswered question that I would love to know the answer for.

I do, like others, have a concern for public safety. If the suggestions and the rumours are true that we have some poor construction on a part of the bridge that's already done, then I really am concerned that we may end up with a similar situation to what's happened in Quebec a couple of times where an overpass has fallen in and I really don't want us to go there. So we need to be absolutely certain that the construction is as it should be. And I trust the

information from the Ministers, but if we have any kind of a rumour, we've got to negate that rumour, we have to verify that, yes, the construction to date is absolutely solid.

I have a concern for the lack of a guarantee that we have for the accommodation that we're going to get from the federal government, and I don't want to call the federal Minister a liar, but we don't have anything on paper and if it's not a guarantee, then somebody could change their mind tomorrow and we don't have anything that's going to prove to us that, yes, this is actually going to happen and we are going to get the guarantee for our debt limit.

One of the things, too, I think is important is that there needs to be an acceptance of responsibility for this mess. Any of the people who were around when things were set in motion should accept some kind of responsibility for the situation that we're currently in.

I'd like to mention a couple of things which I've mentioned before. They have been mentioned again, but they are important to me as well. One is that we have to do a complete analysis and audit of this whole project and an operational audit, not simply a financial. We have to know how things were set in place, what decisions were made, when and by whom, what actions were taken and the costs have to be tallied up. I have mentioned before that has to include our in-house or our in-kind costs that have been incurred by the GNWT staff, particularly the Department of Transportation. I feel very strongly that the Assembly has to set protocols in place that will ensure that in the waning months of an Assembly an action such as the one that was taken at the end of the 15th Assembly can't happen again and those things need to be set in place prior to the end of this Assembly and I certainly hope we can do that.

Lastly, I'd like to extend thanks to the GNWT staff, particularly at Transportation and to Ministers who have done a huge amount of work over the last several months to try and get this project salvaged. Even as frustrated as I am, I appreciate the work that they've done and I know that they've worked very hard to try and keep this thing on the rails and I do have to extend my thanks for that.

I certainly will have questions when we come to discuss the bill itself, but that's all that I have at this time. Thank you, Mr. Chair.

CHAIRMAN (Mr. Abernethy): Thank you, Ms. Bisaro. The next on my list is Mr. Jacobson.

MR. JACOBSON: Thank you, Mr. Chair. Today hearing a lot of my colleagues in regard to this project, you know, it being the Bridge Act in the 14th Assembly coming into the time of being signed off in the 15th Assembly and now us having to deal with this issue, I want to really make it clear for the smaller communities, like my colleague Mr.

Beaulieu was mentioning, that we have to let the communities know that this project is not going to affect us in the long term and all the projects that we do have on the books will stay as is on a go forward basis. I really think that anybody that's going to be impacted the most out of this project will be the communities, so our hands are tied already. So you're damned if you do and you're damned if you don't.

For myself, I will be supporting this motion on a go forward basis, but the government has to come out with a new rollout plan to tell us and tell the people of the Northwest Territories, and not only that, but with a game plan from their department in a big public blurb or a splash in the news in regard to this is our go forward, and hold them accountable to that. One hundred eighty-one million dollars is going to affect us. Speaking to the Premier, he said I really want to make this clear that it's not going to be affecting the go forward for other projects in the communities. You know, I have projects I worry about for Ulukhaktok and Tuk and Sachs, Paulatuk, but I think on a go forward basis I was reassured that it's not going to affect us, it would be totally separate and I really want to let the communities know and not scare them.

Like you said yourself, Mr. Chair, we have the simplest wording possible on the rollout plan for the people. It's been almost two and a half years sitting here and this bridge has been and for some other of my colleagues it's been a big issue and rightfully so. It's a really important aspect of this government and our megaproject is this bridge. It will bring the cost of living down in Yellowknife and bring cheaper fuel, I guess, but at the end of the day all the taxpayers of the Northwest Territories are going to have to pay for this bridge.

So the only thing, like I said, the new rollout plan they have to come up with, letting the people know in the communities not to worry about the projects that are on the books. I look forward to listening to more of my colleagues on the go forward with this bill.

COMMITTEE MOTION 1-16(5):
EXTENSION OF SITTING HOURS TO
CONCLUDE TD 8-16(5), SUPPLEMENTARY
APPROPRIATION NO. 2, 2010-2011
(INFRASTRUCTURE EXPENDITURES),
CARRIED

Mr. Chair, I would like to move that we extend the sitting hours to conclude consideration of Tabled Document 8-16(5), Supplementary Appropriation No. 2, 2010-2011 (Infrastructure Expenditures). Thank you, Mr. Chair.

CHAIRMAN (Mr. Abernethy): Thank you, Mr. Jacobson. There's a motion on the floor. The motion is being distributed. To the motion.

SOME HON. MEMBERS: Question.

CHAIRMAN (Mr. Abernethy): Question is being called.

---Carried

We'll extend hours until we conclude. We'll just be carrying beyond our normal hours of adjournment. Next on my list, Mr. Jacobson, were you done?

MR. JACOBSON: Yes, I was, Mr. Chair. Thank you.

CHAIRMAN (Mr. Abernethy): Thank you, Mr. Jacobson. Next on my list is Mr. Yakeleya.

MR. YAKELEYA: Thank you, Mr. Chair. I was thinking about this last night and I was thinking about whoever thought that a bridge connecting the southern part of the Northwest Territories would be such a troublesome headache and heartache for some people, and for other people, what were they thinking, you know? Those types of thoughts ran through my mind.

Mr. Chair, when the bridge was considered in 1958 it was targeted at \$6.2 million, as commissioned by the federal government consultant to do and at that time it was too expensive, unheard of, can't do it. So they waited until a little later, until 1975, and, God forbid, 25 to 30 million dollars to build a bridge. Then after a while, later on it was considered again and it was unheard of naming the price at \$50 million. Mr. Chair, now the price tag is at \$182 million and a lot of people are just rolling their eyes and saying what happened to the price, it escalated so high.

You know, Mr. Chair, I've looked at it and I thought, well, you know, to build a bridge, it's simple. You know, put together a team of planners, put together some financial gurus, some engineers, a construction company, get the support of the communities, territorial support, and simply build a bridge. Follow the plans and cut the ribbon and move on and build other bridges. I thought, you know, because we have very capable, competent people within the Northwest Territories and how things are getting done here. Sounds simple, right, Mr. Chair?

However, as I get more and more into the details and find out about the negotiations and how things move and what things need to be considered, it's like a chef being in the kitchen with a recipe: everybody's doing their sort of thing, how much you need of this, how much you need of that and you can't do this before this gets done and everything's got to move in a synchronized way sort of thing, and sometimes it just doesn't happen -- the power goes out and all hell breaks loose. Then the light goes back and we say, okay, where are we at now? Well, we've got to start all over again on this one here, because this recipe is just not right because it has to be at this temperature and all this stuff.

Really, it's about getting people to work together, the way I see it. Somebody had to have the vision here, and I'm not too sure if we had a strong enough vision to really construct the bridge and put the bridge in in the way that we thought it was planned to be.

I think my colleague Ms. Bisaro talked about the management team, the quality of the management team, doing the checks. That's what I'm looking forward to, this new appropriation bill and how is this government going to assure the people of the Northwest Territories, my constituents in the Sahtu, that quality control assurance is going to happen from now on, and is that going to be the norm and the ethical integrity standards of all our infrastructure projects.

Mr. Krutko from the Mackenzie Delta said it earlier, there are other projects that need to be considered, looked at, seriously put on the books in terms of opening up the Northwest Territories, not just one part of the Northwest Territories but other parts of the Northwest Territories. If we're really serious about this Deh Cho Bridge, we should be really seriously considering other bridges like the Peel, the Great Bear, even I'll mention the Liard. We have to consider that. We are investing \$165, over \$182 million into a major infrastructure. We are going to own this asset. Well, we should also look at other regions that need the type of infrastructure that will open up their economic resources to contribute to the Northwest Territories, not just on a part-time basis.

With this Deh Cho Bridge I hope that we come out with a real good book on how to build bridges in the Northwest Territories. We have some people who are advising us. Well, we have to really pull them to task here and hold them accountable as to the advice that we're getting, because this project here, when you look at the big picture, Mr. Chair, is small. We want to build a Mackenzie Valley Highway at \$1.8 billion; \$165 million, \$182 million is nothing. By golly, let's get it right here, and let's learn all the lessons we had with the Deh Cho Bridge. Take it as a real hard learned lesson.

Is this going to increase our cost of living or decrease our cost of living in Fort Providence, in Behchoko, in Whati, Gameti, and of course into the community of Yellowknife and Dettah and Ndilo? What about in the Sahtu and the Beaufort-Delta, the Mackenzie Delta, Nahendeh? Are those communities going to have to see an increase or a decrease in their cost of living? Because we are certainly a part of that bridge now, we're right in bed with them. Are we going to see that? So those are the kind of questions I'm going to ask later on.

Again, my colleague talked about the federal government's involvement and I spoke earlier to Premier, and I think Mr. Premier has given me some assurance and satisfaction, but the federal

government's involvement to go ahead in terms of how we can get some evidence and say yes, the federal government is going to say what they're going to do. That will go a long way with me in terms of putting some support behind this appropriation bill here.

The cost of opening up the Northwest Territories in the southern part certainly has opened up my eyes in terms of what it takes. It's not a popular thing, building this bridge here. Certainly from the community of Fort Providence, they had a vision. I'm not too sure, as my colleagues mentioned, if the management had really owned up to the vision, otherwise we wouldn't be in this position. This was a P3 project, a totally different scenario. Now we're in a different ballgame here, so I hope we have some leadership on this here to move on with the project here.

I talked about the Mackenzie Valley Highway and the bridges. I certainly want to know for sure in terms of how this is going to affect us in the years to come.

Mr. Chair, the comments I do have... I want to save it for later on when we get more into the detail. There are some really good comments around the table that I heard in terms of this superstructure that's going into the Mackenzie River. You know, I take the position that I do have a choice that I'm making today. My choice is that if I do not support it, you would tell me specifically what the consequences are going to be to pull those piers out. You will tell me what it's going to cost the Sahtu, because I also have a choice to say if we do go ahead with it. What type of satisfactory answers can you give me to say yes on projects, on debt, long-term repayment and various options to repay this on a shorter term, and other things like that would satisfy me.

People in the Sahtu want to know that if the Deh Cho Bridge is going to be, we want to know if the Bear River Bridge can get built and have this kind of support on the bridge on the Bear River. My friend talked about the Peel River. They want to know, if we do it for one, we are going to do it for all. Or even Liard, they talked about a bridge there. We have to talk about this. We have to open the North for everybody, not just for southern parts. I will end it there, Mr. Chairman. Let's get on this and move.

CHAIRMAN (Mr. Abernethy): Thank you, Mr. Yakeleya. Next on my list is Mr. Menicoche.

MR. MENICOCHÉ: Thank you, Mr. Chairman. I was certainly in the Cabinet on the day that started the whole process of the Deh Cho Bridge. I have no problem to say that I continue to support the bridge. It was a megaproject. It was good for the North and even after we were elected, up to a year ago or 18 months ago it was a timely project. The economy was going downhill and providing work and

opportunities to the North certainly was a good thing. However, I still continue to support the bridge. I ran out of friends in supporting the bridge, Mr. Chairman, only because of the debacle that has happened in the last year. My constituents, of course, are increasingly concerned. They have not said stop the project to me at any point, but they do want to say that as taxpayers they don't want to be paying for it. If anything, the Minister and the Premier can explain to the public about some of the cost recoveries, efforts, that are built into the process as well as we approved \$15 million not even two or three week ago. Of course, when that hits the media, the taxpayers are concerned that they are the ones that are going to be paying for it. Some more explanation for that is certainly necessary.

One of the reasons I support the bridge project is because myself and my constituents have always believed that some regions get their special projects and eventually somewhere down the line my region will get a special project. They are huge and big. They require a tremendous amount of resources, money, and we cannot do two or three at a time. Eventually I see a special project for my region. One of them, of course, is one of the entry points to us eventually getting involved in the Mackenzie Highway expansion. We foresee a bridge around Fort Simpson as well.

At the same time, within the last two and a half years the frustration of the Members come out here is only because we as MLAs, our power as MLAs is the most potent, I guess, when we assemble. That is the time we can question the government. We can unite as MLAs. We can lobby, persuade and pursue government for accountability issues. This is no different. My concern is how is government going to inform Members from this side of the House that Regular Members and Priorities and Planning committee throughout up until May and even throughout the summer months of progress of the Deh Cho Bridge, because it is no wonder my colleagues are distrustful. We spend a lot of time away from the House during the summer months only because we are doing our summer constituency work and I think it is up to almost two and a half months that we are away during the summer.

Once again, when we break from here, we are not going to resume until sometime in May. During those quiet periods of when our Legislature is not sitting, that we as Members are doing the hearsay things, get bits and pieces of information, but we did pass a motion in this House in the winter session as well as there was a commitment by the Minister to update the MLAs on a regular basis. I would like to challenge him. How is he going to best do that? I don't know if it is by phone conferences or else pick an opportune time between now and the main session to get us all together and to

update us on the progress of the construction. That is what my constituents want from me. They want me to have the opportunity to be more watchful over the project.

I was never one for micromanaging government projects there, Mr. Chairman, but in this case there are lots of sensitivities around the Deh Cho Bridge project. I myself as an MLA want assurances and I want the confidence to report to my constituency that, yes, with government taking over the bridge, there is a good stable management team. One of the ways that we build trust, Mr. Chairman, is we have to have frequent meetings to ensure that things are on track, to ensure that a lot of the questions that myself and my colleagues have been asking are answered. I do not want to see that if we conclude here by Friday and we are not resuming again until May, like I said, but I think that there has to be a mechanism of bringing us back together as a full Assembly through some form or another to continue to update us on the progress of the bridge.

As well, during my questions in the House in the winter session to the Minister of Transportation around the Deh Cho Bridge, the confidence of the public needs to be reassured too. I think the Minister spoke of establishing a website, trying to put as much construction information on the website. We as MLAs get a lot of information, but the public deserves that very same information and I am reiterating what my colleague said about what we said all along: the public wants to know. They have a right to know as much information that they can get that is not confidential in nature. As we are progressing here, we have done lots of work. We released lots of information but it would be nice to consolidate it into a website. I am not too sure how they would do it, but I think that commitment should be followed up as well.

Another thing that we are taking over the bridge project. It is too bad about the way things played out there, Mr. Chairman. Having the Deh Cho Bridge Corporation and the community of Fort Providence building the bridge was a good intention. Unfortunately, there are many reasons for it. One of the biggest ones, of course, as they call it a P3 project. Hopefully we can learn from this because other communities will want P3 projects. They will want opportunities to build big infrastructures because there are some on the books. At the same time we have to learn from it and establish at least some type of guidelines that especially in this case we should have had assurances like we had to establish and managing a manager and engineers. There should be some criteria to follow and not just set up a corporation for setting up a corporation. I think by not being too diligent in that sense, we were certainly part of that failure. So hopefully we will learn from that and for the future, because we do need communities to work with our government and work towards the

benefit of the communities, be it financial or social or economic, whatever their benefits may be. Just because we got a bad experience here doesn't mean that we cannot move forward with other projects there.

With that, if anything in my opening statements is pertinent here is that we're going to need a mechanism for reviewing progress reports between now and May and then throughout the summer months. I believe that's up to the government to come up with a solution like that.

CHAIRMAN (Mr. Abernethy): Thank you, Mr. Menicoche. Next on my list is Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chairman. I was going to say I'm mad as hell and I'm not going to take it anymore. I think all things being what they are, this has definitely been a pretty tough learning curve on how we handle P3s in the Northwest Territories. We, if anything, have had a very poor record on P3s. If anything, we should have probably done more due diligence on who our partners were and if they have the capacity to do the job. Also having a company heading your construction going bankrupt halfway through the project didn't help either. I think we have to be realistic here that we hopefully will avoid these implications happening in the future. I think sometimes you have to learn from your mistakes and try to move forward knowing you have learned the hard way.

I think by learning the hard way I do have concerns coming from constituents where we are asking for capital projects, whether it's the Aklavik road project to its gravel source and hoping we would be treated just like Tuktoyaktuk and their gravel source. For some reason we just didn't happen to be on top of the list. We ended up at the bottom of the list. Now we're being told to put an application in to the federal government. Well, dollars were spent from this government for that project. The same thing with regard to preliminary work on the Peel River Bridge. That stuff was done between myself and other parties. I think this government has to take those issues seriously.

We realize we spent a lot of money on capital infrastructure in the last number of years. If you look geographically at where those capital expenditures are and wonder why the small communities are having infrastructure challenges, we're being told sorry, we can't help you there. Sorry, we don't have money for this. Sorry, we don't have money for that. It doesn't matter whether it's a trail to a gravel source or a simple trail in the communities, we're limited for that. Yet we still have health issues in the communities whether it's about dust control, et cetera. For some reason this government does not seem to have the willingness to assist in those areas. When it comes to going into crisis mode we manage to find \$15 million

simply by coming forward with a supp to say sorry, it's a goodwill gesture and it will get us over the hurdle and we'll get money back to move on the project. Then we find out coming here today that was not the case.

I think that as a government we are responsible for ensuring the public purse. I still don't feel comfortable with the comments in the Premier's statement about Mr. Flaherty going to Cabinet to get some sort of Cabinet approval for us to be able to do this. When is this going to Cabinet? When are we going to get something in writing? Will they have to make amendments to speak to our borrowing limit through legislative changes? I don't feel comfortable simply saying that Mr. Flaherty is a nice guy. If Mr. Flaherty was such a nice guy he would have helped us with the investment in the pipeline. He would have helped us with the investment in the Mackenzie Highway. Yet the Conservative government has not done anything by way of major investment in the Northwest Territories to allow those capital projects to be funded by federal investment dollars. Yet the Aboriginal Pipeline Group and the Mackenzie Valley organizations are trying to work with them to get this stuff going. I think it's something we have to be aware of, knowing that we don't have control of the federal decision. It's a Cabinet decision that has to be made in the federal government. Until that decision is made I cannot fully support this initiative going forward until I know for a fact that there was a federal Cabinet meeting where they made the decision to increase our borrowing limit to \$665 million. I know you're saying that, but for me saying it is one thing and going to the federal Cabinet table and making that federal decision is something that I'd like to see in writing from the federal Minister that the Cabinet decision was made.

I think it's important that we as legislators realize that whatever way we make the decision we would have had to pay for this capital investment over 35 years. Now it seems like we're going to have to put it on our books sooner than we thought. Because of that now we're still going to have to make those payments over 35 years but under a different financial formula than we expected.

I think that we as a government have to realize that we have to take advantage of this opportunity. I know that through the capacity that this government has and with the Department of Transportation taking over this responsibility and having key people in key positions to oversee and manage the project whether it's the building and construction of bridges or developing the engineering capacity that we're hoping to keep in house after we conclude this project and also be able to move on to other projects that I've touched on such as the Peel River Bridge, the Bear River Bridge, the bridge across the Liard and replace the ferries going forward. I think we also have to realize that there are other big

projects on the horizon such as the pipeline or the Mackenzie Highway or connecting our communities to the Government of the Northwest Territories public infrastructure. As we can see from global warming and whatnot, we are going to have to make that decision to connect communities to public highways over land. We cannot depend on the winter resupply system as we've learned over the years. It's going to get worse. It's not going to get better.

I know that there is nothing we can do now. We're in a bad situation. We're damned if we do and damned if we don't. I think because of that we have no other choice but to agree to this supp going forward with some guarantees from the federal government in writing that the federal Cabinet has made the decision to increase our borrowing limit to allow us to work this through our debt without an implication on future governments going forward.

Someone who has been here since the 13th Assembly, we walked into a \$110 million deficit that we had to crawl out of. We had to sell government assets, amalgamate departments, lay people off. That wasn't easy. If we end up finding out that Cabinet for one reason or another has not agreed fully on this and they say no to Mr. Flaherty, then what? That's the question I have and I'd like an answer to that one.

For me I certainly don't feel comfortable going forward. What happens to that debt after five years? If they give us a five-year window, where does this fit in our books after five years? How does this move forward with future debt we will be assuming for other public infrastructure such as the replacement of Snare Hydro or replacement of major capital projects such as the Power Corporation increasing its debt?

The other issue I have is in regard to the Housing Corporation debt and what happens when we have to replace the \$35 million supp funding for the housing rent supp? There are numbers out there that we still have to be aware of. I realize going forward, from what we've seen, that we haven't seen much growth. If anything, our population numbers are dropping. Our corporate taxes are not what we were hoping they would be. I think for myself we have to get that guaranteed assurance from the federal government. Hopefully we'll get that sometime this week or at least some assurance that Cabinet has dealt with it and made a decision.

I will leave it at that and look forward to the responses from the Minister.

CHAIRMAN (Mr. Abernethy): Thank you, Mr. Krutko. That's all the Members on my list. I will now go to Premier Roland for a response to the general comments. Mr. Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. I'll deal with some of the comments that were made and requests for information and then I'll hand it over to Minister Michael McLeod to deal with some of the technical aspects of the Deh Cho Bridge Corporation and the structures and Associated Engineering, all that side of it.

A number of things that we need to put out in, as Members have said, clear English, plain English for the record for the public of the Northwest Territories, the first one is that, I think Mr. Bromley stated, he'd rather not be here. I've heard other Members say that and I share their frustration. We would not want to be here as well. Our preference is that everything sailed along as was initially designed and we would be saying this is the best thing we ever entered into with our aboriginal partnership across the Northwest Territories or the Deh Cho Bridge Corporation, in this case, and had a very successful project. Unfortunately, like a self-fulfilling prophecy from some of the Members in the Assembly over the years, this has come to the worst-case scenario. I must say that there are times when it's been very frustrating when we are in very sensitive areas of discussion with the lenders, and in this case we've got a commitment from the federal Minister of Finance, Minister Flaherty, dealing with us on this debt relief for the Deh Cho Bridge Project. Again, we're making comments that hopefully do not affect us as we go forward and shut those doors on us.

I put a lot of weight in my dealings with Minister Flaherty. He has told me in the past when I was Finance Minister, and this had started even into this first budget of the 16th Assembly, he was clear to me on what we were going to get or not get. So when he tells me that he will work with us to deal with this debt, I put a lot of weight to his words on that side of it. We're trying to get the language narrowed down as best as possible and provide that comfort to the Members of the Legislative Assembly.

Secondly, the fact that if we do not deal with this matter as we have proposed to the Members of the Legislative Assembly, then guaranteed what Members are saying now about impacts on projects, impacts on our operations and maintenance, they will be impacted. We will have to live within our fiscal responsibility policy which tells us we have to live within our means. Although this year we would not impact it, we would be impacted on that debt limit before the end of the 16th Legislative Assembly without relief from the federal government. I'm putting a lot of weight in that relief from Minister Flaherty.

The other areas that we do need to again be clear on is that without the necessary steps being taken by this Assembly we would have to pay penalties over and above what is being proposed now. As

much as Members are reluctant to accept that, that is the fact. The concession agreement is there. The concession agreement has been in the hands of Members since the early life of this government. That's unfortunate it's there. The reason it was a 35-year agreement was the simple fact that as the Government of the Northwest Territories we knew we couldn't afford to do a big project in big chunks. So it was spread out much like we would do a mortgage on a home, but a 35-year agreement. This agreement is typical of corporate agreements of this nature when it comes to borrowing of money.

There has been much said about this. In fact, I was doing a lot of historical review of Hansard right back to 2003 when the legislation for the Deh Cho Bridge Act was passed by the Legislative Assembly. There were some very nice things said about that legislation, about what it could mean for us and wishing the partners much success as we move forward. I think many of us shared that in the life of the 14th Legislative Assembly. Unfortunately, we are in this situation now where we're having to assume it and make it a wholly owned government project, and as I said in the Minister's statement earlier, accept and assume the debt and the project on the books as a government capital project.

So there was much support for the act itself. In the act there was the design of a yet-to-be-agreed-to concession agreement. So in the 14th Assembly, that was put forward; 15th Assembly, the negotiations began and were worked on and signed off; 16th Assembly, we started dealing with the financial matters of that concession agreement and getting those details in order and working with quite a number of partners.

The area that was discussed about the fiscal projections being rose-tinted glasses, I would say that's been far from what I've come to look at in my years as a Member of the Legislative Assembly. There are many times that I've been told when I used to be in Finance and Finance overall was told too conservative, you're too conservative, you need to open the doors more. So we tend to operate on that basis and it served us well.

When we sat down as the Legislature at the start of this Assembly, we presented a belt-tightening exercise to live within our means to avoid the debt wall. We have avoided the debt wall, even though we did not succeed to the fullest extent we wanted to, because Members felt it was too harsh. So we did not fully implement the belt-tightening exercise back then, but we still achieved a portion of it that allowed us to live within our means. Same scenario here: we're proposing we take this project over and we have a fix in place that would allow us to move forward without impacting, and I'll say this again, without impacting on the fiscal strategy that was presented in Finance Minister Miltenberger's budget address made in this House at the end of

January. That strategy stays in place before we got the news from the lenders that they wanted us to assume the debt. So we're still working with that strategy in place.

I must say, I, as well, am frustrated with the fact that we have come to this place in the history of the Government of the Northwest Territories, but at the same time we've heard Members about supporting projects across the North, other bridges, other highways, other infrastructure that is needed across the Territory, much the same as we talk about the Deh Cho Bridge. At one point there was the... Someone actually showed me, a past resident of Yellowknife showed me the dollar bills that were made for the bridge project back then and people bought these as a symbolic way of saying they wanted the bridge project. Every government until the 14th Assembly saw it as unable to be done because of our financial processes and our debt limits, until this matter came up and this approach was taken and risk was weighed and a decision was made to move forward.

So we're in this position. We have a supplementary appropriation documented to assume the debt and the project and the dollars. We're working with the federal government to give us relief on the debt situation overall, the debt limit they've put in place, short-term relief, as Minister Flaherty has told me, and we will need to go on that basis.

Yes, there needs to be a better accounting. We fully realize that. In fact, when the first signs of the construction problem started to appear, that project management board, as Member Bisaro spoke of, was in place. Following that, with all of the difficulties that came in place, there was a new management structure put in place and the lender signed off on that. So for the year following, things moved along much better. In fact, the construction company now, Ruskin, that is doing this, showed that that next year... They were able to move that project along in a manner much smoother and move it along at a good rate, and we're holding now, as we go forward, that that will be the practice going forward. But for the rest of the details on the technical side and all of that, I will go to Minister McLeod on that.

CHAIRMAN (Mr. Abernethy): Thank you, Premier Roland. We'll now go to Minister Michael McLeod.

HON. MICHAEL MCLEOD: Thank you, Mr. Chairman. I'd also like to thank the Members for their comments. I certainly can appreciate a certain level of frustration on this project. I don't believe I have to remind anybody why the bridge project was embarked on. This has been on the minds of the residents of this area for years, from the time the Yellowknife road was constructed to connect to the rest of Canada, there has always been a bottleneck, there has always been a very fragile piece of infrastructure that had to be constructed

every year, and we also had to rely on ferry service that had a lot of interruptions and we still see that to this day. Through the concept of a public-private partnership we at last had the means to move forward on construction of a very important piece of public infrastructure that would allow us to construct this transportation infrastructure. It would also allow us to not deplete our capital resources, which we felt was important.

I still believe that it's an important part of what we do; it's an important piece of infrastructure. At the time, a year and a half ago when the opportunity was made available for me to assume the Department of Transportation I talked to the Premier because I felt that I could lend something to this department and to this project. I continue to believe in the project, and I certainly continue to believe in our staff at DOT.

For the time that I've been involved with the government as a Regular Member and as a Cabinet Minister, we've all talked about we need to think outside of the box, we have to be creative. Certainly that's the direction I've taken as a result from what I hear in this government and what I hear from Regular Members. We've done a lot of things on that front. The Tuk-Inuvik road is a good example. It's a partnership with those two communities, and it's allowed us to provide a lot of work and move forward on that front where it's attracted the attention of the federal government. We also have done the same thing with the City of Yellowknife; we created a partnership, something that historically hadn't been done in terms of working together with communities. And we continue to do that. We're doing it now with the project description report on the Mackenzie Valley Highway. We're also signing agreements with the Gwich'in and the Sahtu and now the Deh Cho also want to have meetings.

So it's an interesting way to do business. It's something that we need to look at and the reality is if we don't put on our creative hats, a lot of things wouldn't happen. Certainly I think if the direction is that we change the way we do business and wait for the feds to do it, that's something we'll take as direction and move forward on that front. But recognizing that this project right from the get-go was a megaproject, any kind of slippage, any type of delays were going to be very expensive. I think we all recognize now there were challenges with the design that didn't pass all the inspections that were required, and there were also challenges with the contractor and things had to be changed, decisions had to be made, and they were very difficult ones.

Earlier on we had anticipated, I think, MLA Hawkins indicated that we should have had federal support. Well, we did seek federal support in terms of dollars and investment. They were not in a position to

make that contribution as they didn't have their P3 office set up and they just set the program up recently.

The bridge design was reviewed by advisors that we hired independently, that gave us the confidence to go ahead. There is, of course, as we know now, a lot of difficulty getting the conceptual design to pass a lot of the tests, but there is also rationale that we were challenged again because one of the designers left the project and we had to bring in new people onto the design team. The question was raised will we be going after the original designer for recovery? I imagine that's something we're going to visit. It's under consideration. When a project goes forward without the original designer not being available, that certainly causes challenges and so we're exploring that and we're looking at other ways to see what we can recover. Having said that, we expect any litigation that is embarked on won't be pretty and that's certainly something that has to be considered as the project is stabilized and we move forward.

The regulations for the toll on the toll rate is again another area that we're working on. It's not done yet, but this is something we need to have in place before the summer of 2011.

The issues raised by MLA Ramsay are certainly not new ones. He's raised them before. He's been very vocal about the project. He's stated on some occasions that he supports the project but has concerns. I'm still trying to find what areas he supports, and, of course, the public tender issue is something that he's raised and we've responded by indicating that we did have initial discussions with ATCON Construction and weren't able to conclude our negotiations or our discussions with them. Because of time and because of costs we felt the best way to go and we had people that concurred with us that this is what we needed to do. Going to a public tender would have meant another year delay. That would have cost at least the price of the interest and what it would mean to payments on interest and principal and that would have been, we calculate, at least \$8 million plus and that's not something we wanted to come forward for another contribution.

We agree that an audit needs to be done on the bridge. We have committed that we will be doing a review internally and also at the conclusion of the project have an independent company. I also believe the Premier had made those commitments prior to now and a lot of things have to be looked at. We have to look at the internal costs of what it costs us as a department, as a government and things that were not charged back to the project itself. We would expect that's over \$1 million for some of the staff that we have that put their time towards it, some of the vehicle costs, the travel costs, the hotel rooms, things of that nature have to

be calculated and packaged up so we can provide it. We have to take a detailed look at the construction costs to date. We have been reviewing it as we went along. We have to do a wrap-up and see what has transpired there.

I'm not sure when the Member states that I don't believe the government or the department has an accurate measurement of how far the project has moved along and why he would challenge that. I'm not sure what his expertise is or who he is using to provide that information, but we feel it's 50 percent completed, \$90 million of the \$180 million budget has been spent. I guess we need clarity as to what the Member means when he says what is also hanging out in the background. I thought we were pretty clear when we indicated that the contract for Ruskin was at \$68 million. We signed for \$72 because it included a \$4 million carry-over. If that wasn't clear to the Member I certainly apologize for that, but that was the intent and I believe that was brought forward to the committee.

There was also a question raised as to what day did the Bridge Corporation actually sign a contract with Ruskin Construction and that day was the 4th of March, that's the day that the contract was actually signed. What caused the lenders to call or request the government to assume the loan? I think it's pretty clear that they were feeling that there was a design default on the milestone that they set. We don't agree, but there is no mechanism for us to appeal it or dispute it. So it's brought us to this point. Also to look at cancelling the contract with Ruskin right now we feel would have huge financial implications and I'm still not happy when a Member raises a concern and points to a company that could do it cheaper, a company that feels they were left out and now is operating in hindsight and giving us a really lowball price. So it's concerning, but I mean I have to appreciate the Member's point of view.

Like other Members, I was happy to hear the comments from Mr. Abernethy. He's indicated that is one of the first times that we're going to be voting on this. I think the House has had a couple of occasions to vote on it, maybe not these Members but the 14th Assembly the Deh Cho Bridge Act was voted on and more recently we had the \$15 million supp that came forward. He's also indicated that there's a lot of lessons that need to be learned and we need to take a look at the concept of P3, what worked, what didn't work and what do we do to prevent things of this nature from happening. I think there are a lot of things that we can look at for improvement. There's also, of course, concern that he's raised with myself because he felt I was confident on this project. Mr. Chair, I have to point to the fact that it's difficult to deal with the number of challenges that have come forward, but at the same time if I was going to lose my confidence in the project, then I guess I wouldn't or shouldn't be

in this position. It's still a project that can move forward, it can be stabilized. We've made a lot of changes.

Aside from the \$15 million cost overrun, it has not cost any more than what we had anticipated. The \$15 million is going to be recovered. We have to make sure people understand that and I certainly agree. Assuming the debt is something that has always been part of this project as we guaranteed it as a government. Of course, this is the worst-case scenario and we have to make sure and make it clear to the public as to what impact this would have to our borrowing limit and we also have to qualify and what and why we hired the team we have in terms of providing that information on their qualifications and what has given us the confidence as we move forward.

There is a timeline that's put in place of 2011. That was not a number that was picked out of the air. That's something that was discussed and calculated and the construction company felt was something they could achieve. So there is a schedule.

I also want to make a couple comments on Mr. Beaulieu's statements regarding not knowing about the \$165 million. I thought it was fairly clear, but it's unfortunate that he misunderstood and I would point out to him that he should feel free to come and request additional information from us or a briefing if that is warranted. There is a return on the investment. I'm not sure why he would feel that there is no return. Up to now it's only been for the Deh Cho Bridge Corporation and for us it would be that piece of infrastructure that we would assume in 35 years. There is a long-term commitment for 35 years on this project and there always has been.

I also wanted to point out that I certainly agree with some of the comments made by Mrs. Groenewegen about the \$185 million capital investment. This is probably one of the few projects we have that has a self-liquidating component to it as three-quarters of this is either money that we're already spending or money that we'll be generating. It has some very positive parts to it. It's unfortunate that we've had so many challenges.

I also want to make it clear that I'm concerned that a number of Members have raised potential structural problems with this project. I have no indication of that. We've gone back and talked to the people involved with the project. We've talked to the contractor. I'm not sure where that's coming from. We know there are some people outside of this forum who may be raising this. It would be in order I think for us to be informed of that. If there is a concern for public safety or public security, then we should know that. Right now we have no evidence of that and we've talked to a lot of people in light of being informed that there were concerns.

So if anybody has any information, I certainly want to hear that.

There also is and still are many positive aspects of this project. Mrs. Groenewegen pointed to inflation and global warming. I would add to that convenience and environmental concerns and safety. All these things are still positive parts of this project.

Mr. Bromley raised a lot of issues also and made some interesting comments about this project having a checkered political and technical past. He's also raised the concern about some of the issues on the technical side not being fully resolved. I would appreciate if we could get more clarity on what he's pointing to. We feel we have a new design. We have the checks and balances. We have quality control in place that would prevent any concerns from coming forward.

He's also made some comments or given his opinion about our fiscal framework and projections that are used. I guess our projection is just what it is: a projection based on our best information and best analysis with our best people.

The comments made by Wendy Bisaro regarding the project being poorly managed is something that I guess we'll find out as we move forward. Fingers continue to be pointed either to the Bridge Corporation, ourselves, the contractor, the designer. I guess there are a lot of people involved and I'm sure everybody shares a little bit of what has happened.

There was a project management board set up initially and then last year we decided that it had really no value. They didn't have a lot of authority or power to control. We were in a position where we had to step in and enhance our involvement. It was felt this was the best move.

We are looking at doing more assessments on truck traffic and more recently, as has been brought forward as an issue.

We are also tracking our revenues and expenditures separately. That's a requirement of the Deh Cho Bridge Act.

As to the involvement of the Deh Cho Bridge Corporation in the community of Fort Providence, that's something that's ongoing. We'd like to resolve that as soon as possible. We've had a number of meetings already. We plan to meet with them again, at least some of the senior people, this week sometime and hopefully in the next couple of weeks we'll have that resolved.

There has been mention by a number of people that there needs to be a complete analysis of the project. We need to set protocols in place. We certainly agree. We don't dispute that.

Again, Mr. Yakeleya raised how this project has created headache and heartache. I certainly can

support that. The concept sounds very simple: you design a project, you provide the funding, you hire the contractors, you go forward. I think all those ingredients were part of this project. There have been challenges that have factored in. But I also agree with the Member when he states that there are other projects that have to be considered. We need to be able to at some point decide or become creative enough that we can deal with the Great Bear bridge crossing, the Peel River that the MLA for Mackenzie Delta keeps raising, and Liard, and all those crossings need to be addressed at some point. I'm not sure if that's something we want to wait for the federal government to do or if we're going to try to move forward on those fronts. Right now we need to focus on stabilizing this project.

Mr. Menicoche raised the issue of better communication. We agree. We have already started moving on that whole area that needs to be addressed. We have developed a website that we are in the testing stages of. We are currently using it internally and at some point we would like to have that opened up for the public so they can see what's happening and get the reports. There is some information on the GNWT website, but we'd like to see a bridge website also. We also want to start looking at providing information in print and continue with providing reports to the MLAs so they are in tune as this project unfolds.

All these things need to be done. We need to deal with the current issues in front of us first, of course. And we have to also look at how to respond to other communities that are asking us to do similar projects.

I guess MLA Abernethy summed it up the best. There is virtually not a lot of changes to the project except for the fact that there is a cost factor because of the delay of \$15 million. Now we have to assume the debt. We've always guaranteed the debt, but now it comes on our books and of course there are concerns for the implications to the debt wall.

There were many things said today and many things that we agree with. Some things we need to get more clarity on. There is a learning curve, as Mr. Krutko said, and it has been a huge one. We need to of course always have the due diligence as we deal with companies and design. So I appreciate all the comments that were made and look forward to further questions on more specific detail.

CHAIRMAN (Mr. Abernethy): Thank you, Mr. McLeod. All the Members have had the opportunity to make general comments. The Premier and Minister have responded. Is committee agreed that we have concluded general comments?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Abernethy): Does the committee wish to proceed with detail on Supplementary Appropriation No. 2, 2010-2011?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Abernethy): It starts on page 5, but before we get started we'll take a short break. Thank you, Members.

---SHORT RECESS

CHAIRMAN (Mr. Abernethy): I'd like to call Committee of the Whole back to order. We're reviewing Supplementary Appropriation No. 2, 2010-2011 (Infrastructure Expenditures), and we're on detail, page 5. First on my list is Mr. Ramsay.

MR. RAMSAY: Thank you, Mr. Chairman. I wasn't going to get into a history lesson here but perhaps just to go back a little bit, if we look back, and it's hard... I know the Minister of Transportation said the blame has to be shared around a number of people on this, and if I can just call it like I see it, there are two guys sitting at the table here, both were Members of the previous Cabinet, and if you want to get a little bit of a history lesson, you know, the Finance Minister, former Finance Minister, the Chair of the FMB, and the Minister who would have approved the concession agreement in the dying days of the last government is sitting right here. That's a bit of a history lesson for you.

This is a serious situation that we've gotten ourselves into, and the Premier and the Minister of Transportation, they can spin things however they want to spin them, especially when it comes to the potential of this project to negatively impact the Territory's finances on a go forward basis. The reason why it's possible, I believe, for them to say that it's not going to impact the fiscal strategy is because this supplementary appropriation hasn't been passed. Absolutely, this expenditure, if it is on our books -- and Mr. Krutko is right, we haven't gotten anything in writing from anybody -- if this expenditure ends up on the books of the Government of the Northwest Territories it is going to impact our ability to borrow money, it's going to impact our ability to spend money. And let's be frank and honest with the residents in the Northwest Territories, those people living in every community across the Territory that are going to be looking for infrastructure spending in their communities, if this thing continues to tilt sideways like it has, our ability as a government to deliver for our residents is going to be negatively impacted.

I'm not ready, maybe some of my colleagues might be ready to drink that Kool-Aid that's out there, but I'm not willing to drink that Kool-Aid. I would equate it, Mr. Chairman, to something like a credit card and we've got ourselves up against our credit limit. We might be able to get a bit of a reprieve from the federal government, Mr. Chairman, but that \$165 million is going to have to be repaid at some point

in time. There's no mistaking that. There's no getting around that. Certainly, the project is going to generate some revenue, so I guess that is one good aspect to it, but we are going to be on the hook for this, and there are some reasons here that, again, I just can't see myself...

The right thing to do is to see this project through to conclusion, and I want to see that happen. However, there are some things here, Mr. Chairman, that, in my view, just need to be thoroughly addressed, and they haven't been addressed.

The first question I'd have, and I guess I would direct it to the Minister of Transportation, is the concerns are out there over the concrete work on the south piers. If we want to get into specifics, I can get into specifics on which pier, how many loads were sent back. I can get into the core samples that were taken and, again, I've got a number of pictures, Mr. Chairman, that I do intend on tabling in this House either tomorrow, on Wednesday, that clearly show, and I'm not an engineer, but they clearly show cracks, thermal cracks on a number of the south piers, they show scour rock that is nowhere near the diameter that it was supposed to be for and it's not even granite, it's limestone. Most of that scour rock that was put in to protect the piers on the south side of that river has probably flowed away with the current by now. So what protection is there under the water for those piers today? I think that's a question that needs to be thoroughly analyzed and looked at before, like I said earlier, Mr. Chairman, we approve additional money for this project and we build on top of the already in-the-ground infrastructure there. We need to make sure that that infrastructure is sound and it's going to meet testing that should be... I think we should get a third party in there to have a look at the concrete work on the south piers.

Also, Mr. Chairman, there are issues with some other things on that, but I guess I have to ask questions here so I will ask that question to the, I guess, the first one would be to the concrete work on the south piers. What can the Minister provide to Members to give us every assurance that that concrete is sound and would pass quality assurance tests if a third party went in there and had a look at it? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Abernethy): Thank you, Mr. Ramsay. First I'll go to Premier Roland and then I'll go to Minister McLeod. Premier Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. I guess, to deal with some of the spin that Mr. Ramsay continues to put out there and innuendo about things lacking and potential trouble here and trouble there, we've dealt with this from the day I first took the chair as Premier of the 16th Legislative Assembly, we've provided the information. Unfortunately we find ourselves here

where we're actually putting a document forward that would assume the debt and management of the project and make it a Government of the Northwest Territories, a fully owned and operated project of the Government of the Northwest Territories. The Member says let's be frank and honest. Well, then I ask the Member himself to be frank and honest. Put out the facts. If he's calling into question the designation of individuals who have signed off on the tests, then he needs to put that on the record. He should have, in fact, when he first came across this information, been down the hall to either myself or the Minister to say we've got some real serious issues where we have one engineer calling into question another engineer's work so that we could actually look into it. Bigger and more importantly is we have one of the largest firms, or a very large firm in Canada now working as part of the project team. They, of course before they accept this and move on and sign off on a final product, will be doing their own inspections and audits.

Now, I'm surprised that the Member, who I believe is a card carrying Conservative, would say that the Conservative government would not honour their commitment, that the federal Minister of Finance won't honour his commitment. I put a huge weight on the fact that we have a commitment from Mr. Flaherty to work with us on that and his staff have followed up with our staff. So we know that work is progressing on that basis.

Now, for actual technical pieces and some of the calls of question, you know, we're protected as Members in this House, but that still should not allow us to throw out words and rhetoric that damage reputations of firms and individuals in the Northwest Territories or anywhere else we do business. So I would urge the Member, if he had facts, then he should be up to the Minister's office to lay them down so that we could ensure that all the things that were done, but from what's been laid out with our partnership, with the new project management team, with their credibility on the line, I am fully satisfied they will do that and I'm sure the Minister of Transportation will be able to give more detailed information on that project team. Thank you.

CHAIRMAN (Mr. Abernethy): Thank you, Premier Roland. Minister Michael McLeod.

HON. MICHAEL MCLEOD: Thank you, Mr. Chair. In response to the comments, some of them being very serious allegations that there has been discrepancies that are not being dealt with, I certainly, as the Premier indicated, would appreciate if that information would be brought to my attention. I would believe that some of the pictures that he's looking at, some of it we have in our own possession. There is no doubt some deficiencies that we are dealing with, some have

been dealt with and some are scheduled to be resolved over the next little while and a scour rock is a deficiency that's been noted, it hasn't been paid for. We have held back on it and we have talked to the project people that were on site and confirmed that the cement work that was referred to in some of the piers has been looked at. The people that did repairs and inspected it claim that they're all completed. We have documentation, they've signed it off and there are other companies that have a very credible stake in here that also inspected it as independent companies; Levelton and BPTec was also involved in quality assurance.

So, Mr. Chairman, we have many experts on the job. There are many layers of inspection that take place. The contractor has inspectors on site. The Deh Cho Bridge Corporation had a firm that they utilized. The lenders also had a company that took part in inspections and knew what was going on on a daily basis, and of course we had our people that were on site and reviewed the information. So I would appreciate if the Member could bring that information forward and we could qualify whether there's any merit to it. I believe it's some deficiencies that we've already noted and I would be glad to provide the detail to the Member so that he can be reassured as this project is going forward.

We have to also ensure that the public has the security of knowing that the safety of their families and themselves are being looked after and that's our first consideration, Mr. Chairman. That's something we need to work out. If the Member is hearing things, if the Member has information, we need to get our hands on it and he should bring that information forward and to as to where he's getting it from. Thank you.

CHAIRMAN (Mr. Abernethy): Thank you, Minister McLeod. We're on page 5, 2010-2011, Supplementary Appropriation No. 2, (Infrastructure Expenditures), Transportation, capital investment expenditures, highways, not previously authorized, \$165.439 million. Next on my list is Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. I have several areas of concern, but my main area of concern is the financial situation that the Deh Cho Bridge will find the GNWT in. I would like to ask the Minister of Finance, I guess the Premier, if he would be able to provide loan details of the details of the \$165 million loan that was taken by the Deh Cho Bridge Corporation. My understanding is that we guaranteed the loan. Therefore, I'd like to know if the Minister or the Premier will be able to provide the details of that loan. That's my first question.

CHAIRMAN (Mr. Abernethy): Thank you, Mr. Beaulieu. Premier Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. My understanding is that the Minister of Finance and the Minister of Transportation in meetings with

committee members provided that information and we'll be able to provide it again to the Members regarding the breakdown of that loan.

Now, we need to be clear on the language we use because initially the reason this project was put through the DCBC was to keep it off our accounting or off our books and we couldn't guarantee the debt in that sense, but we indemnified or we, through the guaranteed payments on the 35-year concession agreement, we in fact backstopped as a full agreement and I referenced that back in February 2001 in questions in this House, or February 21, 2008, on that area. But I'll see if that information was provided and we'll be able to provide that again to Members and I'll have to ask the Minister of Finance what he has there and what he can provide. Thank you.

MR. BEAULIEU: I wasn't provided with the details of a loan. I don't think we were provided the details of the loan, or I don't recall seeing the details of the loan. Actually, I would like to see the documents that have put us in this position, because this is putting the government into long-term debt with no possibilities in there at all for any explorations of any terms.

Earlier on in response to the general comments from the committee here, the Premier indicated that this was like a mortgage, in a sense. Now, in a mortgage you get terms, one year, two years, five years, 10 if you want, whatever, but generally within a longer amortization of a loan, which I understand this is a 35-year amortized, this loan is amortized over 35 years. Now, within that, if this was a mortgage, probably a good long term would be five years. Now the indications are that this is actually a one-sided 35-year term loan. I'm interested for the reason that I want to find out who guaranteed the loan, who signed the loan and if there are any provisions in the loan to get out.

HON. FLOYD ROLAND: Earlier, as I responded, I talked about like a mortgage, 25 years-plus. In this case it's 35 years, but it is a typical commercial loan. I'll have Ms. Melhorn speak to more of the details.

CHAIRMAN (Mr. Abernethy): Thank you, Mr. Roland. Ms. Melhorn.

MS. MELHORN: Thank you, Mr. Chairman. The loan is a 35-year loan with a real return bond, which means that the rate of return, the rate of interest is tied to the rate of inflation. It is amortized over the 35 years. There are provisions in the loan agreement if the debt is to be prepaid or repaid early that there are requirements that the interest payments or a make-whole payment would be required to bring the lenders to where they would have been in terms of the total interest that they would have earned over the course of the debt. These are standard terms for a commercial debt of this nature. It is not a mortgage, although there may

be some similarities with respect to how a mortgage might be structured, but it isn't renegotiated in terms of the interest every five years, because for both parties they want certainty over the term of the debt of what those interest payments will be. For the lenders' perspective, they want the certainty of what they will earn in interest for that period. For the borrower, they want certainty of what the costs will be because they're determining what those costs are over the life of the project and determining the economics of the project based on those known costs.

CHAIRMAN (Mr. Abernethy): Thank you, Ms. Melhorn. Mr. Beaulieu.

MR. BEAULIEU: Thank you. I understand obviously what type of loan was signed from what I'm hearing. I understand what type of loan was signed. My curiosity continues to be why. It's beyond me why we would sign a term for the full amortization period. That's what I find confusing. Okay, so, there's a penalty if we pay out early. I mean, at some point unless the penalty continues to grow as to the money they would have made considering whether it's using future value or present value of money or whatnot, but if we actually signed a loan or supported individuals to build infrastructure in the Northwest Territories to sign a loan that obviously is one sided, it's a long-term loan, you can't get out of it. If you get out of it you're going to pay millions. That being the case, at some point it must become feasible for this government to pay the penalty and get out of the loan. At some point. It has to become feasible.

Now, I recognize the fact that maybe we're guaranteeing this through actual payments of \$8 million a year or whatever that is, which actually I don't believe would be a correct number, that much money over that time period. If you take \$8 million a year and times it by 35, that's \$280 million. That's not a whole lot of interest. But it is some interest on \$165 million over 35 years. That's \$115 million in interest. I hope that loan doesn't indicate they would make good all of that interest. One reason I want to see the details of the loan.

The other is that I don't believe that number of \$8 million in loan payments on an annual basis satisfies this loan at the end of its term. It's too little. In reality on a basic standard mortgage of 4 percent or whatever it is, you're going to pay more than one and a half times or one and three-quarters times what the loan is. If you take \$165 million and at \$115 million that makes it \$280 million. That's less than a regular mortgage, for example. I recognize this is not a mortgage, but like a mortgage it probably has similar infrastructures that they are paying interest on interest and so on and so forth. So something doesn't quite calculate in my mind. First of all, why would someone sign a loan this way or support the loan in this way?

I'd ask the Minister of Finance again if we could see the details of the loan rather than a briefing note on the details.

CHAIRMAN (Mr. Abernethy): Thank you, Mr. Beaulieu. Mr. Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Again I'd have to refer to the Minister of Finance as to that level of detail and if it's been shared. I'm not familiar with it. I'll go to Ms. Melhorn as to some additional information. I guess I'd have to refer to again the Minister of Finance and his staff to see if that is a meeting that can be arranged to provide that if it hasn't been on that basis. The simple fact is the Member is saying he does not trust what he's being presented.

CHAIRMAN (Mr. Abernethy): Thank you, Mr. Roland. Next on my list is Bob Bromley.

MR. BROMLEY: Thank you, Mr. Chairman. I wanted to follow up on my colleague Mr. Ramsay's discovery that this scour rock was inappropriate and apparently this has been recognized. I'm wondering who put it there and if there is a claim against them. This is the first I've heard of it.

I guess while I'm at it, what other things haven't we heard about in terms of deficiencies? This would be a good time to bring that forward rather than using a crowbar or blunt-handled axe handle to try and get it out of the Ministers. This would be a good time to hear about the things we haven't heard about it terms of the deficiencies and what we're doing and what the costs are associated with that.

CHAIRMAN (Mr. Abernethy): Thank you, Mr. Bromley. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Mr. Chairman. I didn't realize anybody would be looking at that level of detail. Some of the deficiencies that we have recorded are scour rock. There is also compaction that is an issue. There is also some -- I don't know what level we want to get into -- concern over a couple of bolt holes that are now oblong that should be round. There is about a total of \$4 million that are calculated for deficiencies and that is the \$4 million that is being carried over. Most of the deficiencies or other deficiencies are considered to be minor.

There is some information that we're working towards for final closure that has allowed us to not close the books or sign off until we have all the information. Some of that stuff is still coming forward from the Deh Cho Bridge Corporation. Some of the deficiencies have been dealt with. Some we are working on. Some we are just waiting for information to close them off.

MR. BROMLEY: Thanks to the Minister for those comments. So in my little pea brain, the scour rocks, if they're meant to protect the piers and they don't it would ultimately be a safety issue. Is that a

correct impression? I guess it's particularly the safety issues which ultimately everything with this bridge seems to be, I think.

We're developing a piece of infrastructure over a large river in an extreme environment. Are there any other safety issues that we should know about? I keep hearing about the quality of the bores and stuff like this. The Minister is looking into that. Is there anything else we should be aware of on that?

HON. MICHAEL MCLEOD: Mr. Chairman, most of the information regarding the deficiencies are all relatively minor. We certainly can assure the Members that we'll do a complete assessment. That is being done right now as we speak with the new companies that we have involved. They certainly are not going to go out and accept a project that has deficiencies that are serious in nature. We've also talked to the companies that have been on the project as a result of some concerns that have been brought forward in the last couple of days. They have reassured us that all repairs that needed to be done were completed and signed off. There are still a couple of smaller things that have to be addressed, including the scour rock. We need to have the scour rock on the south side to be valuated to see how much has been washed away or redone. It was only on the south side that we had the issues. That is going to be resolved over this next year. The work that was done was not paid for and we have a holdback for that portion of the work and for other deficiencies.

MR. BROMLEY: Thank you to the Minister for that. I'm really trying to develop some confidence here and I know this Minister knows that full and complete information is best. That's what helps us develop a good relationship and confidence in the project. I'd appreciate it if that could continue.

I don't want to pick away at this, but all things are completed and signed off except for and then there's these exceptions that we always hear. I'm waiting to when we can really say that what we have on the ground is complete and safe and thorough and completed and paid for and we don't have any liens or complaints against it and so on.

I want to move to the financial side, which is our main issue today. Just looking at the projections we were provided, I mentioned the rose-tinted glasses. I'd just like to read off some of these estimates from year to year. Our projections in O and M, our increases from year to year are in the orders of 1 percent. By the way, this includes everything, forced growth and so on. One percent? Have we ever seen that? Has that ever happened? Two percent, 3 percent. I've never seen those figures. I've never read about those figures. As it happens, the three years we are currently projecting to be over our debt wall we happen to have the highest revenues projected. This does not develop

confidence. This begs the question: do we know what we are doing here?

I stated earlier I want to know what the implications are. I think the most important thing is for us to know what the implications are as we take on this additional debt. We can't do that if we're coming up with these sorts of projections. I don't care what the formula is. As a biologist I know when we're looking at projections we look back at least to our past performance and that's an important part of the projection. So perhaps the Premier or somebody could explain to me how we're going to come up with better, more accurate projections this week that will give us the context on which we need to go forward.

CHAIRMAN (Mr. Abernethy): Thank you, Mr. Bromley. Ms. Melhorn.

MS. MELHORN: Thank you, Mr. Chairman. The fiscal forecast that the Member is referring to is based on the assumptions that are underlying the current fiscal strategy that was laid out in the Minister of Finance's budget in January. They do involve relatively low rates of expenditure growth. That was anticipated.

The fiscal strategy for the last budget, for the 2009-10 budget and for the 2010-11 budget were budgets that were based on the economic downturn and the recognition that government would have to maintain operating spending levels and to make some significant investments in infrastructure and that this was not the time for government to be cutting spending or reducing investments in capitals. So some fairly significant investments were made, but the fiscal strategy that was laid out recognized that the government would have to constrain spending growth quite significantly to return to fiscal sustainability and to reduce the capital investment levels to historical levels. So that fiscal strategy is one that was developed when the budget was put together and the forecasts are those which are based on our best estimates of revenues at the moment, estimates of expenditures are based on the assumptions that we have put into the fiscal strategy.

So the impact of the bridge, we've incorporated the additional \$15 million in capital that was required to meet the increased costs of the bridge, and we did recognize that given that fiscal framework that we had put together, that in 2011-12 and 2012-13, that there was a likelihood, given our forecasts, that we would exceed the borrowing limit. But given the commitments that we have received from Finance Canada and from the federal Minister of Finance, that we have the assurances that the borrowing limit will be adjusted to allow us to achieve our fiscal strategy without having to make changes to it, but there was an expectation that we would be continuing our fiscal strategy, implementing the measures that would get us back to a sustainable

path and to reduce our overall debt levels over time. Thank you, Mr. Chair.

CHAIRMAN (Mr. Abernethy): Thank you, Ms. Melhorn. Next on my list is Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chair. Mr. Chair, I'd just like to follow up on the deputy's comments in regard to getting comfort from the federal government. I'd like to know when will we have the legal authority from the federal government to be able to have this debt on our books and not have it affect our borrowing limit. I'd like to know when is that going to happen and when can we expect that final decision. And if we don't get it, what happens if we pass this legislation this week and we don't have the answer next week, how will this debt be handled on our books?

CHAIRMAN (Mr. Abernethy): Thank you, Mr. Krutko. Premier Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, the debt will be handled on our books as we've laid out here by accepting that, and the issue of having a letter or the Order-in-Council, as it would be referred to, from Minister Flaherty, my understanding from the staff having discussions between Finance Canada and our own finance staff here that his department is working on the temporary adjustment that will allow us to go beyond that current limit that is set, again, relief from this project. I've had that verbally from the Minister of Finance. I put a lot of weight in that and the fact that his staff have followed up in discussions and they're preparing the documentation to go forward. As for exact dates, I don't have that with me. We're continuing to press them for the discussion that could be done. Thank you.

MR. KRUTKO: Also, in regard to the temporary adjustment that you're asking for, I believe the request was for five years. Is that confirmed also, that we're looking at a five-year adjustment, and after that what happens to the debt after the five-year adjustment has been exceeded? How is that going to be handled on our books?

HON. FLOYD ROLAND: Mr. Chairman, our request has been for a five-year relief on this. We're, again as I said, the finance staff from Ottawa and our staff are in discussions. We're trying to get as much information as possible for what Minister Flaherty is prepared to bring forward to his Cabinet colleagues. Thank you.

MR. KRUTKO: My other question was what happens to the remaining whatever's left over after we basically pay down the debt for the \$165 million, after the short time frame we're looking at, five years? What happens to the debt of the Deh Cho Bridge Corporation on our books after the, sort of, little easement that we're getting here from the federal government? Where does that debt go?

How is it going to be calculated? Is it going to be added to our borrowing limit, whatever the remaining outstanding balance of that debt is?

HON. FLOYD ROLAND: Mr. Chairman, as the Members are aware, we've, in the last couple of years, had some of the largest capital spending in the history of the Government of the Northwest Territories, and to have that happen requires a large cash flow. It's when those projects are being done and put into service and finishing the construction that we run into the problem of our debt wall if we did not have relief from the federal government. So with this relief, our cash requirements drop down because we go back to the typical capital plan of the Government of the Northwest Territories which is \$75 million. Then our cash demand is down, our debt room as forecasted goes back to in the neighbourhood of \$100 million available borrowing capacity of the Government of the Northwest Territories once this relief is done, and the debt remains on our books, but it is manageable because, again, our large capital expenditures go back down to a more normal pattern for the Government of the Northwest Territories. Thank you.

MR. KRUTKO: Can the Minister or the deputy minister of finance tell me exactly what year do we see this changeover...(inaudible)...is what year are we looking at the federal temporary adjustment being concluded so that we then, basically, have to make that decision? Because I think that as we all usually see going into elections and whatnot, it's usually the year four when most of the capital expenditures are made prior to the election, and in most cases the new government that just came in, it usually takes them two years just to get going. So it will be interesting to see what Legislative Assembly will have to be dealing with this. It's not going to be the 17th. Is it going to be the 18th Assembly or the end of the 17th Assembly, looking at the five-year time frame that you're talking about?

HON. FLOYD ROLAND: I'll speak to the first part of that, and Ms. Melhorn can go towards the fiscal strategy that they laid out and presented to Members.

The timelines, as we've looked at it, we're okay in the '10-11 fiscal year. The '11-12 year becomes problematic without the relief; '12-13 becomes an issue, as well. But a five-year relief allows us the flexibility to then get back into a normal pattern, the cash demand is down, there is no impact. But let's fully recognize that even we, as the 16th Assembly, when we came into office, without accepting any further debt, we we're talking about tightening our belts. Every government will have to come up with its own fiscal strategy as a going-forward. Our goal is to ensure that we leave them enough flexibility to be able to manage as they go forward. That's why

this relief is being sought, and we've got that commitment from the federal Minister Flaherty. Thank you.

CHAIRMAN (Mr. Abernethy): Thank you, Premier Roland. Ms. Melhorn.

MS. MELHORN: Thank you, Mr. Chair. Based on the fiscal framework that we are working with, we estimate that by 2015, which would be the first year, assuming that we had the five years of borrowing limit relief, that the first year that it would come off would be 2015-16, and our current forecasts indicate that we would have, even after factoring in the additional bridge debt, \$100 million in available borrowing room. Thank you.

CHAIRMAN (Mr. Abernethy): Thank you, Ms. Melhorn. Mr. Krutko.

MR. KRUTKO: Thank you, Mr. Chair. In regard to the remaining debt for the Bridge Corporation after the five years is paid down, how much debt will remain on the books after this five-year window that we're looking at? Do we have a calculation on how much debt is going to be depreciated in five years and paid down and how much remaining debt is going to be left for the Deh Cho Bridge going forward?

CHAIRMAN (Mr. Abernethy): Thank you, Mr. Krutko. Premier Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Just for clarification, he's talking about the specific debt to the Deh Cho Bridge Project or the debt of the Government of the Northwest Territories, including the Housing Corporation?

CHAIRMAN (Mr. Abernethy): Thank you, Premier Roland. Mr. Krutko, for clarity.

MR. KRUTKO: Thank you, Mr. Chair. I'm talking about the Deh Cho debt after the five years because we're not going to really see a decrease in the debt in the first five years because the volumes won't be there, you're going to be basically trying to figure out the traffic volumes. So I think because of that, the projected payout over the first five years is going to be reduced compared to the years going forward. So I'd just like to know what's the projected debt after the five years that we're going to get the sort of adjustment from the feds?

CHAIRMAN (Mr. Abernethy): Thank you, Mr. Krutko. Premier Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. From the projections and the schedule that was attached to the concession agreement, after five years I believe we'd be looking at \$155 million.

CHAIRMAN (Mr. Abernethy): Thank you, Premier Roland. Mr. Krutko. Next on my list is Mr. Hawkins.

MR. HAWKINS: Thank you, Mr. Chairman. I guess some of the fundamental questions I really have, have to do with what's actually changed. You know,

I see this as we head out in two processes. The first one being the idea one that obviously isn't going to happen, which was everything was funded and paid through the Deh Cho Bridge Corporation and obviously that isn't going to work, but fundamentally the payments I thought the government would be responsible and paying for would be somewhat similar if we ended up being in the circumstance that we are in today. So in other words, now that we've taken the debt on directly, we've taken the payments on directly, but I guess our contribution and our commitment, in theory, if I understand it correctly, hasn't changed. So can the Premier or the Minister of Transportation explain to me if anything's actually changed to our theoretic bottom line, and I'm not referring to our debt wall in this particular case, I'm referring to our payment schedule or commitments that the territorial government would have been directly related to and responsible for. So has anything changed now that the obligation of the loan is directly on the shoulders of the territorial government? Thank you, Mr. Chair.

CHAIRMAN (Mr. Krutko): Minister of Transportation.

HON. MICHAEL MCLEOD: Mr. Chairman, the payment schedule hasn't changed. It's still identical to what it was. The only change that has been made on this project in terms of the finances is that there is a \$15 million supp that was approved in this House that's added to the project that will have to be repaid through the life of this project and we're also taking on the full costs of the guarantee that we had onto our books. So that's a difference, but as to the toll and the self-liquidating portion of this, it would still stay the same and the payment schedule would still stay the same for a 35-year period. Thank you.

MR. HAWKINS: By and large can the Minister describe our payments as, again, by and large, self-liquidating to a large extent? Can it still remain to be seen as this is a project that's paying for itself? Thank you.

HON. MICHAEL MCLEOD: Mr. Chairman, the project is indeed self-liquidating to a certain extent. Fifty percent of the annual costs will be paid through tolls. There is a portion that we are already paying in terms of operating the ice bridge and the ferry, which we believe now is in excess of \$3 million that can be put towards the project and of course there's a contribution that was committed to by this government. So there is probably three-quarters of the project being financed through existing payments or existing costs and new revenues. Thank you.

MR. HAWKINS: I appreciate that on the record. With the change in the DCBC, so the Deh Cho Bridge Corporation, is it envisioned that the concession agreement value will change as this

finds its way to the point where we have the bridge built and we find that particular role for the Deh Cho Bridge Corporation, assuming it still wants to exist and participate? Thank you.

HON. MICHAEL MCLEOD: Mr. Chairman, that's something that we are currently working on also. It's discussions that we started a few weeks ago. Now we are getting closer as to what's possible and looking at some options that we brought forward and also looking at reviewing some of the options that the Deh Cho Bridge Corporation has brought forward and trying to find a way to deal with the issues that are in front of us. Looking at the concession agreement, whether that's a required document anymore, or should we move to a new agreement. All those discussions are taking place. We hope to have some resolution in the next couple of weeks if all goes well. The Bridge Corporation and the community of Fort Providence have been very cooperative with us and have worked with us quite well over this difficult time. Thank you.

MR. HAWKINS: In reading the Deh Cho Bridge Act I noticed that under the regulation section when they're drawn up, of course, it looks like Members of the Assembly need to be included in this process even for being kept up to date. That's under one of the sections. It's under 10, it's not important to go to, but it's under 10-2(b)(1) and I'm just wondering have regulations to this date been brought up or drawn up and have they been developed in any form or fashion. Thank you.

HON. MICHAEL MCLEOD: I believe that was the response that I provided earlier on the regulations that are being worked on. We haven't concluded those. It's something that we have to have in place before the operation of the bridge comes into play. We expect to have the drafting and everything concluded by the summer before that, and it's been my practice that we provide the information to the Members so that they are well aware of what we are going to be bringing forward and we'll commit to doing that. Thank you.

MR. HAWKINS: As we've all seen that the situation has changed significantly and under one of the sections under the Deh Cho Bridge Act, 6-1(2), the toll is collected for the Deh Cho Bridge Fund and it's a special purpose fund. I'm just curious as to who controls that special purpose fund, the Deh Cho Bridge Fund, in this particular example. Has that been envisioned or has a solution been found for that particular case at this time, because that's, if I read the act correctly, where all money in the context of tolls are to be directed. So I'm just trying to find out who controls that fund, especially in light of the situation. Has that been dealt with? Thank you.

HON. MICHAEL MCLEOD: Mr. Chairman, the Government of the Northwest Territories will control

the fund. There is a requirement in the clause that he's referring to have a separate accounting of the revenues and expenditures. So that will also be accounted for and provided separate from our overall government accounting. Thank you.

MR. HAWKINS: I think the Minister cited the \$15 million extra, and if I heard him correctly -- and I ask him to correct me if I'm wrong -- he said that would be charged back to the project under the regulations under Section 10. It talks about the ability to have money deducted from the cost incurred by the government from the amounts payable to the concession area. I'm wondering, that \$15 million that was additional because of the change in the project and the project scope that affected the project's financial bottom line. Is it that type of section that we'll be drawing back that \$15 million? So, therefore, it's still the \$165 million bridge as we originally discussed and theoretically supported?

HON. MICHAEL MCLEOD: Mr. Chairman, the project was pegged at \$165 million and there is and has been provision because of the \$15 million cost overrun, as per our concession agreement, required that that money be recovered through the tolls. That's what we're obligated to do.

MR. HAWKINS: I'm doubtful but always hopeful, of course, that the Transportation Minister probably can answer this question. It's regarding Minister Flaherty's position and, as I have stressed to the Premier who is acting in the capacity of Finance Minister today, my concern on the weight of the position that Finance Minister Flaherty has assured us that this will be coming for special dispensation to be able to carry this type of number on our books. The issue for me is, I guess, satisfying the concern that this will actually be fulfilled. I'm trying to say it in such a way as when does the Premier expect, if he has an expectation date, that we will get special dispensation from the Minister of Finance that our government can add the \$165 million debt to our books without it affecting our debt wall?

As time is ticking away I'm just going to add one footnote to that point. When I am in the community, and I certainly don't shy away from questions whether they are constituents or not, but in the community one of the fundamental bottom lines really coming from people is the fact of will carrying the extra debt on our debt load affect things like schools or health care programs, et cetera? Hearing from the Transportation Minister that our payments or bottom lines are relatively stable if not the same and if not looking better due to the changes that may occur in this process, the one outstanding factor is this dispensation from the federal government to allow us to carry this on without affecting our books.

That's to explain why I want to be clear and be very sure that is coming. I suspect it's equally shared in some manner or not with the other Members.

CHAIRMAN (Mr. Krutko): Mr. Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. I guess the first part of that is the weight I would place in the call that I had and the following actions from that call. February 27th I believe was the date. I had a call with Minister Flaherty discussing with him the fiscal situation we could find ourselves in as the Government of the Northwest Territories when it comes to the debt situation and the Deh Cho Bridge Project and the call of the lenders to assume that debt. At that point he said he would work with us to deal with that debt.

Following that, we have had discussion between Finance Canada staff and our staff here and we've put forward a proposal. We know that they are working on language for Minister Flaherty to bring forward and I'm hoping within a matter, and it's difficult on this to say, that within a couple of weeks he may be able to address that or get back to us on what the specifics are on that. But he said they would be looking to deal with this in a very timely manner, recognizing this was a couple of days before he was about to address the nation on his budget process. So we realize that they've been very busy there, but in that business they have contacted us. We have exchanged a proposal and we know that they are working on wording to go forward that would protect us.

Now, saying that, we could pass this bill today and that won't affect our debt wall. We won't go over our debt wall. If we did not get relief, our debt wall would be impacted in 2011-2012, the latter part of the last year of our term. So we've got a window to work with and I'm counting on, again, the commitment from Minister Flaherty that he would deal with this in as timely a manner as he can bring it forward on.

CHAIRMAN (Mr. Krutko): Okay. I have a long list. I have Dave, Norman, Wendy, Tom, Glen and Bob, in that order. So, Mr. Ramsay, you're next.

MR. RAMSAY: Thank you, Mr. Chairman. I guess I take some comfort in the fact that the Premier is talking to the federal Finance Minister. I know the Premier mentioned the fact that I'm a card-carrying Conservative, which is true. Although it's unusual to bring up party preferences here in this House, the last time I heard that was from our current Finance Minister who had his ABC -- Anybody But Conservative -- campaign going in the run-up to the last federal election. I wonder how that is helping us with our negotiations with the federal government and any other concerns financially that we bring to the federal government. I just wanted to put that out there.

I want to get back to some of these deficiencies that the Minister of Transportation has brought to our attention today. I disagree with him. I think he referred to the scour rock issue as minor. I'm not sure how much money was spent on dumping that scour rock into the Mackenzie River, but to surround four piers in that river was a tremendous amount of rock. To my knowledge that scour rock was prepaid. I know that the Minister had mentioned that it hadn't been paid for yet, but to my knowledge it was prepaid. We've paid for that rock that's at the bottom of the Mackenzie River. Most of it is probably half way to Norman Wells by now and we had better ensure that those piers are protected. I want to ask the Minister what assurances we have that that rock is going to be replaced around those piers so they are fully protected.

CHAIRMAN (Mr. Krutko): Minister of Transportation.

HON. MICHAEL MCLEOD: Thank you, Mr. Chairman. We agree that those piers have to be protected. There is some concern being raised that there was a deficiency on some of the scour rock that was provided for the south side. On the north side all the scour rock was appropriate size and of the quality we were looking for. On the south side there was rock that was placed into the water for protection that didn't meet the standards and we are analyzing that right now. I would point out, though, that a lot of the provision of the rock was stopped right at the pit because it was recognized that it was the wrong dimensions. We'll analyze the situation. That is going to be done this year. We are also holding back dollars for work that was performed on the south side. So if it doesn't meet the standards, the deficiency will not be signed off and it will have to be provided for with the dollars that are being held back.

MR. RAMSAY: I think perhaps we're getting somewhere. I hope people are getting an understanding of why it is that I am hesitant to support this \$165 million. I mean, this rock didn't meet the standards but somebody decided to dump it into the river anyway. What other issues are out there that didn't meet the standard that are going to come back and get us or have the potential to come back and get us? Obviously if this rock didn't meet the standards, somebody's got to be responsible for dumping it off that temporary bridge into the Mackenzie River where most of it was, like I said, of a diameter where it's probably floated down the river. Somebody approved that. I'd like to know who that was and what recourse we have.

Like I said, I don't think the Minister responded to this either, that scour rock on the south side was prepaid. I'm not sure how we're going to go about figuring that out. That rock was prepaid. It was limestone. It wasn't granite, it was limestone. I'm not an engineer. I took a geology course in

university. Limestone erodes very quickly and it doesn't have the properties that granite has, which, as the Minister said, was used on the north side. The north side piers are protected with granite. So what are we going to do about the south side piers and the limestone that was put in there?

HON. MICHAEL MCLEOD: The scour rock that was used on the south side was not approved. So let's be clear on that. Whether it floated down to, where did you say? Norman Wells? We're not sure on that. We're doing an assessment of what has remained. We don't expect that rock would have to be replaced, but we would have to provide additional armour rock to make sure that the piers are protected properly. We are going to be doing an assessment. That deficiency has not been signed off. It has not been approved.

MR. RAMSAY: If the Minister knows that the scour rock used on the south side didn't meet standards, again, I'm having trouble understanding if the quality assurances and quality controls are in place on that project how that rock could end up at the bottom of the river. That's a pretty fundamental question for me. Does the Minister have pictures of that scour rock that was used? Has he seen pictures of that scour rock? Has the department seen pictures of the scour rock? I do have a number of pictures that I'll table in the House and that I will share with the Minister. I wanted to make that abundantly clear. I know these guys are calling me out a little bit on the information that I have. I just got those pictures Sunday night. We were back here yesterday and I mentioned it to the Minister yesterday in the meetings we had. I've been up front and I will continue to be up front. Obviously I don't take throwing around accusations like workmanship and deficiencies in that project very lightly. I want to know what I'm talking about. I'm not just going to come in here and shoot my mouth off. I'd have to have every assurance from the person that I've been talking to that they know what they're talking about. And I do. I do have a lot of assurance that this individual is credible and what he is saying has a lot of merit. I will share those pictures with you. I've told my colleagues here on this side of the House, I told them this morning at P and P, if anybody wants to see the pictures they're more than welcome to see them. Like I said, I'll table them in the House so that everybody can see these pictures. They speak to a few issues. One of those issues is that scour rock. I asked the Minister, he said he had some pictures, let's compare pictures. Does he have pictures of that scour rock that was used on the south side piers?

CHAIRMAN (Mr. Krutko): Mr. Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Again, as I had stated earlier, there's a very fundamental question here about what's being said here in the public forum. Even in committee, if

Members, if any Member has information, credible information of deficiencies by people who are ready to put their status on the line, then do that. Let's deal with the issue. But to continue to wave a flag about and make these comments is very dangerous to the professional credibility of all people.

We have a new project team, Associated Engineering, who is going to take over this and do the audit and provide that information. The Minister has committed to working with committee going forward on that basis. The Member said let's compare pictures. Well, let's go beyond just comparing pictures because, I mean, I could sit here and you could show me a picture of a rock. I couldn't tell you if that was a rock that was, how big, the size, compared, is there a quarter beside it, is it the size of a football or what? The structure of that rock? I couldn't tell you that. So putting a picture on the table and saying this is what it is, is one thing. The Member himself said in this forum he's not an expert in the area. So let's get the experts and let's get them to verify the information on both sides.

As we have a new project team who will take this on I'm sure they're not going to take on faulty workmanship and have them sign their names and status on the line to a project that is going to be hauling people across the river. Thank you, Mr. Chairman. We can go to Minister Michael McLeod.

CHAIRMAN (Mr. Krutko): Minister of Transportation.

HON. MICHAEL MCLEOD: Thank you, Mr. Chairman. The Member, I think, is assuming that we're not aware of the deficiencies. We're completely aware of the deficiencies. We've probably got the same pictures. If he wants to compare pictures, that will be fine. We have a list of deficiencies. It gets pretty detailed, right from hole size to length of the bolt that's sticking out. Scour rock was part of it. We are aware of the deficiencies; we're dealing with the deficiencies; many of them have been dealt with already. If I'm going to be sitting here answering why every one of the deficiencies has been in place, that's challenging, but we certainly can share that information as we go forward. We are doing a complete analysis of what has been out there as deficiencies and what has not been signed off. All the companies involved are meeting today and have been meeting all day to talk about any issues that are out there. If the Member wants to bring that forward to them or to us so we can provide it, we'll certainly follow it up with more in-depth analysis so that all the Members and the people in the Northwest Territories can be reassured that this is a safe project.

CHAIRMAN (Mr. Krutko): Next on the list I have Mr. Yakeleya.

MR. YAKELEYA: Thank you, Mr. Chair. I want to ask about the toll fees and when the Minister will

have some type of solid information in terms of the new information that we're going to get for the toll fees in light of what some things that may happen in terms of revenue coming in for the payment of the bridge.

CHAIRMAN (Mr. Krutko): Minister of Transportation.

HON. MICHAEL MCLEOD: Mr. Chairman, right now we're looking at servicing some of the cost from this project through revenues generated from tolls. We expect for the first year it's going to be around \$8 million that we would have to use to service the debt and half of that we would expect to raise from tolls. The other portion would be from money that we're already spending on the ferry service and the ice bridges, and also there's a contribution from our government on an annual basis.

MR. YAKELEYA: The other question I have is in regard to the issue around Minister Flaherty and the Minister of Finance in terms of a working relation arrangement. I think what I heard from the Premier, Mr. Chair, in terms of that coming close to some satisfaction, in terms of yes, this will not hinder us in terms of our fiscal forecast, forecasting projects that we have in the future, and that I'm leaning towards the Premier's voice in terms of the evidence that the Minister is going to do something, the federal Minister. He said something like that. I just need to know if the Premier would, even if it's some type of indication on paper to show that this is what the federal Minister is going to help us with the situation here.

CHAIRMAN (Mr. Krutko): Mr. Premier.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, number one, the federal Finance Minister, as I worked in the previous Assembly as the Finance Minister in the first year of this government and developed a working relationship with Minister Flaherty, has been very straightforward in the sense of where he's at when he says that he will work on certain issues with us, he has always delivered. When he says no, we're unable to do that, he says it right up front and is clear with that. So following that discussion I had with him, the further commitment that I have seen that is evidence of that commitment is the fact that his staff and our staff have been in discussions regarding the proposal. I have requested of his office to get some confirmation in writing so that I could share with Members as well. Thank you.

MR. YAKELEYA: Thank you, Mr. Premier. I look forward to that discussion with the Members after he's had some discussions with the Minister of Finance Canada.

Mr. Chair, in terms of the time frame to complete the bridge, we're looking at 2011, in terms of this time frame and the amount of work that it is

required, we aren't too sure how things are going to unfold next week or the day after. We're under a time frame. There are certain consequences of not meeting the time frame. In his good judgement and estimation, can the Minister of Transportation say that the quality assurance of the project, things that we're going to be looking at a little closer in terms of the structure, that we'll be able to meet this time frame in light of what Mr. Ramsay has been saying, in terms of those issues? I just came to know about them and I'm not too sure if that's true or not. The Minister has talked about some deficiencies. Is that something that we can safely say by 2011 that this bridge will be done and finished and that you'll have the satisfaction? Because you are right, lives are going to be depending on it, they're going to be crossing it. It's very serious about this issue here. I have children or relatives, the same as anybody around here, so we really have to be serious about this. So when you say time frame, I really want to make sure that we are able to meet this time frame, because there are consequences for not meeting this time frame, there are penalties, and I want to make sure that we are prepared with some alternative plans depending on how we go about this. I want to have a few minutes from the Minister to see if he could help me with this question here.

CHAIRMAN (Mr. Krutko): Minister of Transportation.

HON. MICHAEL MCLEOD: Thank you, Mr. Chairman. I should point out that the issue of deficiencies is part of any project that we have on our books. All projects encounter challenges, be it big or small, there are a lot of things that are always being flagged and this project is no different. Every item that, no matter how small, if it doesn't meet the code, if it's not done properly, then it's flagged and it's either left until it's rectified or else a solution is found to fix it. And that list changes. Some things get resolved. As the project moves forward, new issues are added to it. That will continue right until the project is completed, and even after traffic is moving on it I'm sure there will be smaller things coming forward that have to be looked at.

The time frame is something that we've had a lot of discussion on with the people that are going to do the actual construction. They point to November 2011. We agree that's a date that we'd like to see traffic crossing. We have all the steel ordered. We have a new contractor that's already on site. We have new project management that is going through a transition, and we expect to start to see some of the steel coming on to the bridge site by this summer. So we are already working quite hard to see that this project meets the deadline, I mean the time frame in place and that's something we don't want to see any slippage on. Thank you.

CHAIRMAN (Mr. Krutko): Maybe I'll just remind the House to keep the side chatter to a minimum.

It's affecting some of the responses here. Mr. Yakeleya.

MR. YAKELEYA: Thank you, Mr. Chair. Mr. Chair, my last question in this round here would be the issue of project management and quality assurance in terms of going forward. I reviewed what the Ministers have put before us and it seems like we really have taken the bull by the horn on this project here with the GNWT in terms of how you set up the org chart and you told us how certain qualified people are going to manage this program, get the bridge built, in terms of that quality management project team initiative.

The one thing I wanted to look at, besides that, is how the community of Fort Providence is going to be involved. Mr. Minister has talked about the involvement of Fort Providence in terms of the Metis and the Dene First Nation on their involvement and partnership arrangements. They have released a press release and they have stated publicly their position and I look forward to seeing what type of arrangements will be made.

I just want to ask the Minister about going forward if he has some draft indication as to when an agreement could be reached with the community of Fort Providence in terms of a partnership agreement. Is that going to be something that's going to hinder us or is that something that's going to be just one of the other tasks that needs to be completed in terms of the completion of this bridge? Thank you, Mr. Chair.

HON. MICHAEL MCLEOD: I think right now one of the most concerning issues was to try to get the project stabilized in terms of having a new contractor in place and having all the material ordered and people on site and dealing with the transition. That is taking place right now. The construction, we feel, is now coordinated and it's going to move forward and we don't expect that will be affected.

There is a lot of work that's been done in choosing project management and the new companies that are on the site. We certainly have done due diligence and looked at the background and checked out references and looked at their experience and they have provided us a lot of information and certainly feel free to provide that to the Members if there is a desire to see that.

The community involvement is something that's, again, ongoing. We've, I think, all staked out our positions now and it's a matter of sitting down and concluding the discussions. The community has expressed a desire to stay involved. They would like to see a lot of the benefits in terms of contracts and things of that nature provided to the residents there. We expect that in maybe two weeks we should have things concluded and be able to share that information to the Members. I don't know if

there was another question there, but that's good for now. Thank you.

CHAIRMAN (Mr. Krutko): Next I have Ms. Bisaro.

MS. BISARO: Thank you, Mr. Chair. My first question I'd like to go back to a comment I made in my opening comments in regard to the revenue and expenditures for this project and in listening to the conversation I've been able to glean some figures, which are more up to date than the 2008 figures that we were given earlier. My question is I would like to see a list of revenues and expenditures based on 2010 numbers as opposed to based on 2008 numbers and I've managed to gather that our revenue is going to be approximately \$4 million from tolls, give or take, \$3 million from the operations of the ice road and the ferry and about \$2.3 million for the subsidy, which the GNWT has guaranteed, I gathered. But in terms of the expenditures I'm still somewhat, I am in the dark, I'm not somewhat in the dark. I'm told the debt payment is going to be about \$7.9 million. I've asked the question before and I'll ask it again: is that debt payment going to be the same every year for 35 years or does that payment schedule change and can we see what that payment schedule is?

The O and M costs, the only figure that I've heard is about \$700,000, but that's 2008 and I suspect there's been some change to expected O and M costs. O and M costs will also be minimal in the first few years and will increase over the years as the bridge gets older. So what is the expectation of the department in terms of how quickly those O and M costs will increase and then there's the equity payment to the Deh Cho Bridge Corporation or whatever entity they become. That, I realize, is up in the air because negotiations are still underway, but I have no real handle on what the expenses are going to be. I'm getting a sense of what the revenues are going to be and I would really like to know if the Minister can either provide that information now or if we can get it certainly before we have to vote on this bill. Thank you.

CHAIRMAN (Mr. Krutko): Minister of Transportation.

HON. MICHAEL MCLEOD: Thank you, Mr. Chairman. The expectation will be that there is going to be a requirement for payment on the debt, which is interest plus principal and there's also going to be O and M costs and that will roughly be around \$8 million indexed on an annual basis. The equity payment to the Bridge Corporation is not something we have resolved yet, so we can't give a firm number and the reason we don't have up to date, today's traffic volumes, is because we don't have the 2010 information yet and that hasn't been compiled. So it will be quite difficult to provide the information that the Member is requesting before the vote on this takes place. Thank you.

MS. BISARO: I still didn't hear a number for O and M costs, but I'll just choose to carry on.

I have another question and it was mentioned, I believe, by the Minister earlier in reference to the fact that this is, was, a P3 project. Quite some time ago I believe Members saw a draft of a P3 policy and I was just wondering whether or not that policy is anywhere on our radar going into the future. For any projects of a similar nature, are we going to have a P3 policy which has been approved by this House? Thank you.

HON. MICHAEL MCLEOD: Mr. Chairman. I'll just respond to the Member's request to see some of the O and M costs. It was anticipated that the costs for the O and M on the Deh Cho Bridge was going to be around \$700,000 a year. However, now that the project has been assumed by our government and things have changed in terms of requirements, such as insurance, we expect that is going to be around half of the \$700,000. So O and M we are pegging at \$350,000 a year. I'll let the Premier respond to the rest.

CHAIRMAN (Mr. Krutko): Mr. Premier.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. I've been informed that in fact the Minister of Finance did present a draft policy, I believe, to committee and is awaiting a response. Thank you.

CHAIRMAN (Mr. Krutko): Ms. Bisaro.

MS. BISARO: Thanks, Mr. Chair, and thanks to both Ministers for that and I appreciate the estimate of the O and M costs. If it so happens that sometime down the road that the expenses for the bridge are more than the revenues that we take in, how will that debt be handled by this government? Who is going to cover the excess expenditures in any particular fiscal year? Thank you.

CHAIRMAN (Mr. Krutko): Minister of Transportation.

HON. MICHAEL MCLEOD: Thank you, Mr. Chairman. That's a hypothetical question, but at this point we would expect that we would treat it as if it was a cost overrun and it would be recovered and recouped as traffic volumes went up. Thank you.

MS. BISARO: Thanks for that. My next question has to do with I believe a stated commitment by at least one or both Ministers to ensure that, I think I heard in remarks earlier today that we will ensure that future governments will not be able to enter into large projects or agreements on large projects towards the end of any Assembly's term. I just wondered if either the Premier or, I guess the Premier, could advise how he intends to make sure that that doesn't happen. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Premier.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. I don't believe I responded to that particular question. The area of a government's outgoing days, the Cabinet, its authority, seeing if there's an emergency of some nature that always has to be taken into consideration, but I would say that because of a project like this and the nature of what's happened from it, we would have to get a process, a commitment, that outside an absolute emergency that it be business as usual that would go on and I mean that's payroll, that's your programs and services in our communities that are ongoing day-to-day initiatives. So you've got my commitment at least in this 16th Assembly that I won't be saddling the next government with a scenario that we've been faced with. As for going forward, again that would be the will of the Assembly-of-the-day as to just how they wanted to proceed. Thank you.

MS. BISARO: Thanks to the Premier for that response. I appreciate his commitment and his pledge not to go to places we're already in.

My last question has to do with the Deh Cho Bridge Corporation. I know we are undergoing negotiations with them and trying to determine what form that particular corporation is going to take, keep or become. But I wondered two things: do we have a responsibility to the Deh Cho Bridge Corporation shareholders? Does this government feel that we have a responsibility to their shareholders? The other question I had is if the corporation is dissolved, whether or not this government will incur a cost to either the shareholders or somebody if the corporation is dissolved. Thank you.

CHAIRMAN (Mr. Krutko): Minister of Transportation.

HON. MICHAEL MCLEOD: Mr. Chairman, that's something that is yet to be determined. We are having discussions, as I've stated. We've had some already. We're going to be meeting on Thursday with some of the people from the Bridge Corporation and look at a way to move forward. They've brought some options forward. We are also developing some positions. So it's a little early to say if there is going to be any cost incurred by us.

MS. BISARO: One last question, I guess. I understand that we currently have a Deh Cho Bridge Fund and I mentioned in my remarks that I think we ought to keep the project costs for this particular project separate from the costs of sort of regular Department of Transportation costs. I wonder if the Minister of Transportation could advise whether or not that is something he would consider and if he would commit to do that. Thank you.

HON. MICHAEL MCLEOD: The act requires us to keep a detailed accounting of all the revenues that arise from this project and all the expenditures, so

that's something we will be obligated to follow. Thank you.

CHAIRMAN (Mr. Krutko): Thank you. Next I have Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. Mr. Chairman, I want to go back to the 35-year loan. I am going to have to assume that the rate on the 35-year term must have been a very good rate in order for the government to support the Deh Cho Bridge Corporation on signing a loan that has one huge long term in it. I've been told by the deputy that's maybe industry standard, but if we go back to using a scenario of a mortgage right now, today a two-year mortgage is 2.7 but a five-year mortgage is 5.2 roughly. So, you know, as the term gets longer, the interest rate usually gets larger so that the lender is trying to protect themselves as much as they can if they are going to lock into a long-term loan. Since the GNWT supported a rate of lock-in for this length of time, I have to make the assumption that it was a very, very good rate.

With that, I would like to ask the Minister of Finance, in order to ensure that in future that the future of the Northwest Territories is not mortgaged, that we look at asking the federal government to treat this loan as a self-liquidating loan considering that the expenditures that were already in place are going to be transferred to service this debt. Then there's going to be also tolls that are going to service this debt and that there will be a smaller portion of money annually put in by the Department of Transportation to service this debt. Therefore, would the Minister consider what is the feeling of the Minister, or the Premier I should say, what is his feeling on what would happen if he was to approach the federal government to say that looking at a permanent debt limit increase of, say, \$150 million and start to treat this portion of the debt as a self-liquidating debt? That would ensure there is no impact five years down the road on infrastructure items for, especially like my concern, a small community and so on. That's all.

CHAIRMAN (Mr. Krutko): Minister of Transportation.

HON. MICHAEL MCLEOD: Thank you. I will just speak to a couple of issues that the Member has raised. First of all, he's requested some information that I believe will be in the concession agreement in terms of who signed it, when it was signed. All the information is on the government website. There's a lot of information there. There are probably 70 to 80 schedules that he can certainly look at and review.

He's also mentioned the loan. The terms of the loan, it's a really return bond and the interest rate is at 3.17 and it's a loan that includes the outstanding principal on a yearly basis. Why did we sign such a deal on those terms? At the time that we signed it, it was an attractive deal. It was for certainty. We wanted to lock it into the long term. Unfortunately,

since then, the interest rates have dropped and it doesn't look as attractive.

He's also raised the question on whether it's possible to get out, whether it's feasible. Of course, if the interest rates go up, that would be something that could be considered but we'd still have to find a way to pay out the cost of this loan. The terms of the loan requires \$8 million to be indexed on an annual basis and maybe that's why the numbers aren't adding up for the Member. It's increasing all the time on an annual basis.

Whether it's locking us in for the long term, Mr. Chairman, this was the intent, was to have this piece of public infrastructure paid for by traffic volumes that will be travelling through in that part of the Territory in the future. So that was the intent of how this project was going to be financed and it's still the intent to have the project financed that way.

As to some of the other questions, I will refer to the Premier.

CHAIRMAN (Mr. Krutko): Premier Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, the other question that was asked if we approached the federal government to look at this as self-liquidating debt and treat this as a permanent bump up to our borrowing limit, again I talk about the relationship with Minister Flaherty and when he states on it, he's honoured his word both when he said we are unable to do something or when he can do something. He made it clear that this was going to be short-term relief, that we would not see a permanent adjustment to our debt limit, so I know at that point that's off the table.

As for self-liquidating debt, it is treated partially by that, but the formula, I guess as a way of putting it, the previous government approved the \$2.28 million going into it as an additional top-up on top of our ferry service and ice road crossing service and the rest in a toll. So that process remains the same and is in place.

As well, as I stated earlier, in my discussions with Minister Flaherty it was made clear that this would not be a permanent adjustment. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. Mr. Chairman, if 3.17 percent is buying some certainty for the GNWT for the long term, I'm okay with that. I think that's actually not a bad interest rate even in today's standards. So I guess my only question is that my fears now are not so much. I mean, I have fears about the cost. That's something I have already talked about. My fears are the impacts; the impact of removing the short-term dispensation from the federal government for five years. When that gets removed and if this government is not in a position at that point to be able to assume the

roughly -- I believe the number of that was given to another colleague -- \$155 million, if this government cannot assume that within the \$500 million debt wall in addition to the two self-liquidating debts that are in place for the Housing Corporation and the Power Corporation, it would then become an issue. So would it be possible then for the Premier to try to get a bit of a longer term on this debt to a point where the debt would be reduced by a greater amount and then down to \$155 million looking for maybe a 10-year term on this dispen... -- I'm sorry, I can't say the word, whatever -- the special borrowing limit that's going to be approved by the federal government and see if that would be something that's possible as opposed to a five-year window looking at maybe 10 years down the road that would give us more opportunities, a longer term to recover. We don't have to recover so sharply. What is the Premier's position on maybe going for a longer term? Thank you.

HON. FLOYD ROLAND: When we initially looked at this to see what package we feel would best suit our needs, we felt the five-year would give us the flexibility in future years that would allow future governments borrowing room, still have room for borrowing. That is why we requested of them the five-year extension or adjustment. Now, we've yet to hear back if they will do the full five year and to what limit. Thank you.

CHAIRMAN (Mr. Krutko): Next I have Mr. Abernethy.

MR. ABERNETHY: Thank you, Mr. Chair. I have a number of questions as outlined in my general comments, but to begin with, thanks to Ms. Bisaro for asking a bunch of the questions I wanted to ask and Mr. Beaulieu as well. I was going to start with the question Mr. Beaulieu just asked, which is why five years. Is there any chance we can look at getting a six or a seven? Even an extra year or two would help us an awful lot. I'm looking at the forecasts of what our debt is going to be, and in 2015-2016 we are still quite in debt and if we had a couple of extra years it might give us a little more comfort moving forward considering that we would still be significantly in debt on the bridge. Are there any chances that those discussions with the feds can include the possible negotiation for an extra year or two taking us to six or seven? Thank you, Mr. Chair.

CHAIRMAN (Mr. Krutko): Mr. Premier.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, our initial proposal to federal Finance staff has been a five-year window. We are unable to confirm at this time if that is what they presented to their Minister to bring forward. I could have additional conversations with them, but I know at this point trying to get it through again, his comment was short-term relief, project-specific and

we are waiting to see what that actually means in the final documentation. Thank you.

MR. ABERNETHY: Seven years isn't that long. I would encourage you to try, if you can, to get some additional time in there.

One of the other questions I wanted to ask was with respect to qualifications of the new project management team. As indicated, I don't have confidence that the project management team put in place by the Deh Cho Bridge Corporation has the knowledge, skills and abilities to deal with a project of this magnitude. This is a huge infrastructure project and I think if we had some individuals in the Deh Cho Bridge Corporation who had the background to deal with such a large infrastructure project, we might not be where we are today. So I'm happy that we have a new project management team, but I would like to hear from the Premier and the Minister about this new project management team, the Associated Engineering and what their qualifications are and why we should have confidence that they are going to be able to manage a project of this magnitude without putting us in further discomfort. Thank you, Mr. Chair.

CHAIRMAN (Mr. Krutko): Minister of Transportation.

HON. MICHAEL MCLEOD: Thank you, Mr. Chairman. I'm not sure if that's something we want to start reading off. Do we have that with us? We have the background information. We have looked at their experience, their references and the different individuals that are involved in the project, including the ones, the engineering and the staff that will be working directly for this project, and are quite comfortable that they have the qualifications. We have a package for almost all the companies that are working for us or are signed on as part of this project. We can provide that to the Members.

MR. ABERNETHY: Thank you for that. I'm looking more for the primary project managers on this project. Have they got bridge experience? Have they got experience building bridges of this capacity and this size? Can we have some confidence that the team we put in place to replace the team that wasn't able to build us a bridge can build us a bridge within the timeline provided? You've told us over and over again, and I hope you're right, that 2011 will be the time that you build the bridge by. Does this project management team have the knowledge, skills and ability to make that happen? Thank you, Mr. Chair.

HON. MICHAEL MCLEOD: Mr. Chairman, that's quite specific information. I will ask the deputy of Transportation, Mr. Neudorf, to respond with information that he has.

CHAIRMAN (Mr. Krutko): Deputy Minister Neudorf.

MR. NEUDORF: Thank you, Mr. Chair. About a year or so ago when we were being challenged to deliver a large number of capital projects, including a large number of bridge projects, we did go out with an RFP to procure the services of a team to help us with some of the bridge design, bridge management, construction supervision services. We put into that RFP the projects up to the magnitude of the Deh Cho Bridge. Associated Engineering was a firm that we selected as part of that process. So it was a public process. We feel as part of that, that we did get the best firm, the best team that was available to us. Associated Engineering themselves is a very large national firm with offices across Canada with much bridge experience. Individuals that are on this team and the three individuals in particular that are going to be on site to help supervise the construction, manage the project, are all familiar with the North having done other work for us. The one individual just came off of the Kakisa River Bridge where he did a great job in supervising the contractor ensuring that bridge was completed on time, on budget.

Other individuals, one of the other engineers is just coming off the Golden Ears Bridge in British Columbia. I don't know the magnitude exactly, but a very significant structure, lots of considerable experience in supervising the bridge.

We have every confidence in their abilities to be able to carry us forward and ensure that the bridge is successfully completed. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Abernethy.

MR. ABERNETHY: Thank you, Mr. Chair. I'd like to thank the Minister and the deputy minister for that. That didn't seem so hard. I think that's important information and I think the people of the Northwest Territories want to know that the people we've put in charge have the skills. I'm happy that you're confident and I'm happy you went through the process that you went through to get individuals that you're confident in.

With respect to the timeline, how much involvement of these people, these experts that you've brought on as your project management, how much involvement have they had and how much disclosure have they had from the Deh Cho Bridge Corporation to develop this timeline for November 2011 as an opportunity for me and you and the residents of the Northwest Territories to drive across this darn thing?

MR. NEUDORF: The timeline developed and the commitment to November 2011 completion is actually a Ruskin Construction commitment. They have brought onto their team Buckland & Taylor, who will be the erection engineers, so they will be the firm on site that is responsible for supervising all the construction and ensuring that it meets the

schedule and all the quality assurance and quality control commitments.

Buckland & Taylor is another large bridge construction/bridge engineering company. They have been involved in this project in the past so they are familiar with the project and the site. They are a very reputable firm, as well, and we have every confidence that they'll be able to work with Ruskin Construction to be able to meet the time frame required.

MR. ABERNETHY: I'd like to thank the deputy minister for that. I sure hope he's right.

The last little bit that I'd like to talk about and get some comfort around is the cost control on this project. When we look at what's coming in and what needs to go out it's a pretty fine line of us being able to bring in enough money to be able to cover what our annual cost is without having to find money elsewhere. What assurance do you have that we can control the costs on this project so that they don't inflate out of control? Some Members have suggested numbers but I'm not sure where those numbers come from so I'm not going to re-quote them, but there have been some pretty high quotes. How are we going to assure and how are the project management team going to ensure that our costs don't get out of control and that we stick within the \$181 million that we've already projected?

MR. NEUDORF: The process has been a very extensive one. As we have looked at the contract and the work required and been in negotiation with Ruskin to finalize the price, certainly much work in terms of getting very detailed information from suppliers so we are firm in those commitments. Lots of work, lots of inspections of the schedule so that all the parties agree that we do have a reasonable schedule going forward and one that's achievable.

The other big factor, of course, is that we now do have a final and approved design for the superstructure that has been very recently completed. It was an integral part of those discussions and we've got a commitment from a reputable contractor and all the other engineering firms that are involved in the project that they can meet the schedule within the price that's available.

MR. ABERNETHY: Three seconds to spare. Is it a fixed-price contract?

MR. NEUDORF: The contract that was entered into was a standard contract that the GNWT would enter into for any number of different projects. So it is a firm commitment on behalf of the contractor to deliver the bridge as laid out in the bridge design for the price that he quoted.

CHAIRMAN (Mr. Krutko): Next I have Mr. Bromley.

MR. BROMLEY: Thank you, Mr. Chairman. I just want to carry on a little bit on the fiscal environment that I was mentioning earlier. I want to make sure I have some things right here. Our annual payments will be about \$8 million per year, including a net of about \$2 million new dollars each year. After a five-year period we have federal support for extra debt. We will have paid about \$40 million for a reduction in the principal of about \$10 million, leaving about \$150 million in principal debt on the books. Over this same period we'll reduce our current debt, which is estimated at \$215 million at the end of this fiscal year to about \$145 million; a difference of minus \$70 million over that five-year period. This while servicing almost a billion dollars in new infrastructure as well as the considerable aging infrastructure we have in place.

The projections show that we will do this by unrealistically, in my mind, low annual expenditures and some favourable revenues. Just for perspective, I don't think that after all the angst and discord that we were able to anywhere near achieve the reductions we wanted between the 2007-2008 and 2008-2009 fiscal years. I'd be interested in what the increase was in our O and M between those two years. Yet we're asking the next Legislative Assembly to not only do better than we did there, but we're asking them to do better every year. That's a pretty amazing ask.

My points here are that just because we're allowed to do this by our federal patron does not mean that there will not be severe implications to the services and infrastructure we provide to our public. That's the first point. The second one is, because these are unrealistic projections, if we bank on them we will be in even more troubled water than we currently find ourselves.

I don't see much contingency planning on a large-scale basis by the Department of Finance, but perhaps there is for eventualities that during the life of our term certainly seem to come to pass on a fairly regular basis. I'm wondering what contingency planning we do have on a government-wide basis by the Department of Finance that will inform our remaining term and that of the next Assembly. Recognizing that there are these severe implications.

CHAIRMAN (Mr. Krutko): Mr. Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Every Government of the Northwest Territories when taking office is faced with severe implications. I've been a Member of the Legislative Assembly for four terms and I think right at the start of my term we talked of debt walls. We've always avoided them by taking the right fiscal strategy and managed to keep the government in a place that keeps ourselves moving along.

The Member has talked about unrealistic expectations. The expectations that are presented

are presented on a fiscal strategy that Mr. Miltenberger presented in his budget that the Members of the Assembly had a chance to review and passed in this Assembly. So to now call them unrealistic, I did not hear that being mentioned to Mr. Miltenberger in that way.

Yes, there are real implications here. If things are to go totally off the rails, if we had another catastrophe, right now all our capital projects are on our books, accounted for, moving ahead as they typically would. This is the one project that was outside of our system. We don't have another one that's outside the system in that area. We feel we have a fix in place going forward specifically to this project that's before us. As to the other fiscal strategies, the Minister will have to come back in his business planning process, as he does annually, to deal with that.

The other one is the fiscal strategy is set with the support of Members. So if things need to change he would have to gain that support. At times, for example as Mr. Miltenberger went out with possible tax initiatives to see if there was new revenue that could be sought. After seeking public input and input from the business community and the downturn of the economy it was felt this was not the appropriate time. We would have to continue to weigh those options as we go forward. So with future governments of the Northwest Territories either you increase your revenues or you decrease your expenditures. We took the road of trying to reduce our expenditures to allow us some more flexibility and we have gained that flexibility. Now, with this Deh Cho Bridge Project coming onto the books, if approved by Members we'll be able to manage this through and as presented by the Department of Finance with the borrowing capacity extended to us by the federal government project specific. We'll be able to manage our way through this one as well.

Some used to say, every government would say we've always talked about this proverbial debt wall that we never seem to get impacted on. That's because the fiscal strategies at the time presented helped us stay off that debt wall and we continue to present those scenarios to Members as we go forward. We fully recognize that there are severe potential future impacts if things were to not go this way. If the federal government was not to work with us, if the Members of the Assembly said no to this bill, there would be immediate fiscal impacts. There would be immediate impact to capital projects and there would be immediate impact to O and M. We believe we have found a way to manage through this so that's not the case.

I'm hoping that Members will see that we manage to always stay off the debt wall by the fiscal strategy. We have put an action plan in place that would see this and we've had to adopt one for this

we feel will keep us whole in the 16th Legislative Assembly. It will provide the 17th Legislative Assembly as they start out with the flexibility they will need. That aside, the next Assembly will have to adopt their fiscal strategy going forward.

MR. BROMLEY: It's interesting that the Minister mentions the budget this year. It was up over 7 percent. I think it was 7.5 percent, something like that. The projections the Cabinet has come up with here were 1 percent. I'm wondering how that fits with what the Premier has just said. The projections for next year are 2 percent. That's exactly what I mean by unrealistic. If we're going to go into this with those kind of ridiculous figures, we're looking for real serious trouble. This \$165 million on top of a 7 percent increase this year would equate to something like a 20 percent increase. This is not business as usual. I'm sure the Premier would regret having said or implied such a thing. I would welcome any more perspectives the Premier might have to offer that would actually be based on reality. Given that we have never achieved this, and the Premier I'm sure through all that we've been through remembers the discord and angst of trying to get some reductions in our first year. Or second year. Between the first and second years. It's not easily done and that's what we're saddling. Subsequent to people with....

We might get some relief -- I hope we do -- from the federal patron, as I mentioned. But how long will it be for and given that the payments don't really do a great deal to that principal it takes a long, long time before it really helps us out here. Like I say, \$40 million over the first five years will get us \$10 million reduction to the \$155 million. As the projections, again, at the same time, requiring that we reduce our existing debt, not bridge debt, by \$70 million. How realistic is this? If we're going to go forward, we're going to need serious reference figures on which to base our decisions. Thank you.

HON. FLOYD ROLAND: Mr. Chairman, again, I go to the fact that the Minister of Finance tabled his budget, brought his business plans to community members. The fiscal strategy is not different than when he presented that to Members. It's not my plan. It's not the Cabinet's plan. It's been through our committee system, it's been to the floor, it's been accepted by Members. So, as previously, it seems easy to separate one's self from some of the tough choices that need to be made when we accept the fiscal strategy, but that's been presented. That's not a new scenario because of this process. And, again, I go by the fact that the Minister of Finance tabled his budget, put a fiscal strategy in place, and that's been put in place.

The other number the Member used was \$70 million. I'm not sure which fiscal strategy that he's working off, what sheet he's working off. I know the Minister of Finance went to committee with a

number of scenarios of that and I'd have to look at or have him respond when he's able to or have Ms. Melhorn provide some details on the scenarios that we're working on that we've presented the proposal forward on that basis. Thank you.

CHAIRMAN (Mr. Krutko): Mr. Premier, did you want Ms. Melhorn to add? Ms. Melhorn.

MS. MELHORN: Thank you, Mr. Chair. As the Premier noted, there were a number of scenarios that were discussed in committee and I'm not sure right now which one the Member is referring to with respect to the \$70 million debt reduction. But as the Premier noted, the fiscal strategy that was adopted as presented with the budget in January did assume that we would be reducing our debt, the debt that we have incurred as a result of the aggressive infrastructure investment plan that we've undertaken as a government over 2009-10 and 2010-11, that we would be required to address in any event. Thank you.

CHAIRMAN (Mr. Krutko): Next I have Mr. Ramsay.

MR. RAMSAY: Thank you, Mr. Chairman. I just wanted to continue on with some questions that I had earlier. First of all, I had a question about when we were here during the last sitting of the House and it kind of touched a nerve with the Minister of Transportation and that was the fact that ATCON had gotten the contract for \$165 million and weren't bonded to perform that work. I know they have a line of credit. The government had access to a line of credit for ATCON's work and performance on that job, but I'm just wondering what assurance, and I think I've heard the Minister say this, but I want to get some more clarification on whether, in fact, Ruskin, in the completion of the second phase of this project is going to be fully bonded in their performance of that work. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): Minister of Transportation.

HON. MICHAEL MCLEOD: Thank you, Mr. Chair. Mr. Chair, the previous contractor had security in the project and the security has been deemed still good. Going forward with the new contractor we have performance bonds for this company also.

MR. RAMSAY: Is the work going to be fully bonded to the maximum extent or are they just going to have a \$1 million bond on a \$72 million job? I mean, what are we talking about? They could have a \$500,000 bond, for all we know. What's it going to be? Thank you.

HON. MICHAEL MCLEOD: Mr. Chairman, this company is bonded as we would bond any other company with our projects. They have a 50 percent performance bond that they provided.

MR. RAMSAY: I thank the Minister for that and I'm glad to hear that's the case. It's interesting, I guess, when you start talking about the deficiencies, and again I want to be as clear as I can be, the Minister I believe I heard him talk about another one of the deficiencies as being compaction and to me that would address the approaches, both north and south, that that work was previously done and that was one of the deficiencies. I understand we're paying again an additional \$4 million under the new contract to address the deficiencies on both of those approaches. Is this work that we've already paid for and are we paying for it again? Thank you.

HON. MICHAEL MCLEOD: Mr. Chairman, the \$4 million is a carry-over from last year's projects that were held back as a result of recognized deficiencies, and that's what we're going to be using to bring it forward into this new contract to address the deficiencies.

MR. RAMSAY: Mr. Chairman, I'm just wondering if the Minister, and again my whole reason for asking these questions, Mr. Chairman, is to make sure that we are proceeding on this project knowing everything's that's out there, knowing where the deficiencies are and, you know, up until today it was the first time I heard the Minister talk about compaction, first time I heard the Minister talk about scour rock, and I'm glad to see that now we're getting somewhere. I think that's the level of detail that people... I'd like to know what we're getting ourselves into here. In that, I mean can the Minister provide the Members of this House with a detailed list of the deficiencies on that Deh Cho Bridge Project and what it's going to cost us to get these deficiencies fixed? Thank you.

HON. MICHAEL MCLEOD: Mr. Chairman, I don't believe with any projects that we discuss in this House that I've ever brought forward a list of deficiencies, whether it's the Inuvik school or any other project. I don't think the request for that type of detailed information as to bolt holes and bolt sizes and scour rock and things of that nature ever had been debated at this level. If the Member wants, we are compiling, and we do have, a list of deficiencies. I would prefer to provide it to them with some comments as to where they are in terms of resolution and plans to deal with the issues that were brought forward. We are right now waiting for that to be developed and it's being developed and we certainly will share it with the Member. He's raised concern and we can bring that, and we can make it standard practice as we talk about projects, we start talking about deficiencies. It's a level of detail that is not normal to have on the floor of the House of a government. Thank you.

MR. RAMSAY: And this project has never been normal from the word go and I'm raising these issues out of the... You know, it potentially could be a public safety issue and it could potentially cost

this government more money to fix deficiencies if they're not corrected now. It will cost us more money down the road to correct these things.

On the scour rock, I'm just wondering, is the plan to go down under the water and see what's left of that scour rock, and if we are going to get under the water, are we going to inspect the pier footings and the workmanship of those piers under the water? Thank you.

HON. MICHAEL MCLEOD: We have to be clear that we are not looking at the issues in terms of deficiencies as a public safety issue. I know the Member has been trying to make it an issue that would jeopardize the whole project in terms of safety. That's not the case and I think we should be clear that's not the case. We've done analysis on a number of the things that are being raised. We have a list of deficiencies that we are going to be dealing with. That's standard. We certainly can reassure the Member that we have looked at the scour rock this past year and we know what has been put down there. We can share that information with him if that's the kind of detail he wants. We can sit down with him in the next little while, once we complete the analysis. Because I'm sure he's going to want more information as to where we are in terms of resolving some of these issues. We can provide that private briefing for him, so he can look at the design, look at all the issues that he keeps raising in terms of specific detail. If that information was being provided to him by somebody else, then it's obvious that it's by somebody who has been on the project and I think there is an obligation for that person to come forward. If he's very concerned that there are safety issues, I think it's from a professional standpoint and an ethical standpoint, that person should come forward and should not hide behind a politician and keep feeding information that should be brought directly to our attention. If that's something of concern, then provide it to us.

Let's not throw pieces out there and say this is a safety issue. Scour rock right now is not a safety issue. Bolt holes, bolt sizes, length of bolts, some things that need to be cleaned, I recognize as deficiencies. Is that public safety? No. It's obvious that we are getting down to some very specific details of this project and we just about have to start bringing in engineers if we are going to start getting into more detail.

MR. RAMSAY: I, again, from what I know, have concerns over some of these deficiencies that were brought to the department's attention on a number of occasions. That's what I know. I can't say it any other way, they were brought to the department's attention and the department chose not to act on it or the Deh Cho Bridge Corporation chose not to act on these things. That's what I have been told. Again, I will take the Minister up if he wants to offer

me a private briefing sometime and I look forward to that.

One other thing while I have a few seconds here on the clock, I've always said this project would cost much more than the \$181 million. With the \$3 million contingency on the remaining work and the deficiencies that we talked about thus far, I don't understand how we're going to get by with a \$3.2 million contingency on \$90 million. That's like 3 percent. It doesn't give you much allowance either way and I'm just wondering is that just not a recipe for some more cost overruns as well that we don't have a bigger contingency than \$3.2 million.

HON. MICHAEL MCLEOD: There have been issues brought to our attention and that's why they are recognized and recorded as deficiencies. We have inspectors that look at the work that was done. If the quality is not there, if the wrong material is used, if it's not what the specifications call for, then it's registered as deficiencies. We do have a little more than \$4.5 million to deal with the deficiencies and that's in the form of a holdback. There is some carry-over from work that was supposed to be done last year that hasn't been completed. That's around another \$4 million and there is a \$3 million contingency. Right now, there are no issues that have been identified that would require drawdown on this \$3 million. Thank you.

CHAIRMAN (Mr. Krutko): I know the Minister has offered information he has which might be helpful to the Members with regard to the questions here, so if you have that information, it might be able to help assist in some of these questions. If you have it and it's available, we could circulate it to the Members. Next I have Mr. Yakeleya.

MR. YAKELEYA: Thank you, Mr. Chair. I wanted to ask the Minister about other legal things that could be associated with the Deh Cho Bridge Project, some of the unresolved matters. For example, ATCON is in receivership and there may be claims outstanding that may be unresolved issues with the bridge. Is the GNWT likely to become involved in any legal actions related to the project? What matters might be unresolved that might cost the GNWT money? Thank you.

CHAIRMAN (Mr. Krutko): Minister of Transportation.

HON. MICHAEL MCLEOD: Mr. Chairman, there's nothing that we're aware of. Thank you.

MR. YAKELEYA: That's good to know. We're going to certainly go through a process. Should the Ministers receive support from the Members on the appropriation bill, is there a mechanism to ensure this House and Members regarding regular reporting to us and through the process in terms of the questions we are raising tonight to ensure the time frame is on target, the quality of the work is being done and some questions that would help

us? Sort of like checkpoints through the project, so there is some accountability and some transparency in terms of going forward on the Deh Cho Bridge. Thank you.

HON. MICHAEL MCLEOD: As we have now moved towards assuming the debt and we are taking over the project, we also now will be responsible for communications and we've already made several commitments in this House regarding development of a website. That website is up and running and is being viewed internally as we work out the bugs and ensure that it's of the standard that we expect. We will be making that information or that site available to the public. We are also intending to provide a newsletter type of information to the residents of the Northwest Territories on a scheduled basis. We want to continue what we started on last summer by providing fairly regular reports to all the MLAs in terms of issues that are coming up, issues that are resolved and have feedback on that front from Members so they can also provide us with information, provide us with concerns and provide us with issues that are being raised to them, so we can ensure that there is good communication all around. Thank you.

MR. YAKELEYA: That's what I was alluding to regarding the communication on this project. There are certain things you want to communicate to the public, certain things you want to communicate to specific organizations out there. There is also the communication process for Regular Members that members of the public aren't privy to. You know, some of the briefings that we had are very helpful in terms of going forward with this project.

I'm happy to hear the Minister is going to put together a communication plan of various levels. It's a very important asset that the GNWT will own and have on the books here. There are lots of other questions that could probably be shared through various communications. I guess that's what I wanted to hear. Also what I also liked from the Premier is how this project will not have impacts on other projects in the Northwest Territories.

We have to really be clear with our people in the regions about this project. I think if we're very clear with them that they will not have any impacts, as some Members have indicated, on other projects being done in the Northwest Territories. There are other bridges in the Northwest Territories right now being built. We need to maintain that these projects also receive some attention for their completion. That's what I want to see if I can maybe just have the Minister or Premier comment on so it's very clear to our people. We have to get this story straight out there for our people what it means to have this bridge on our books and how it's not going to impact on projects that we have with Transportation or any other issues that we want to

build infrastructure in our region. I think we need to be very clear with that.

HON. MICHAEL MCLEOD: We certainly don't expect that this project is going to have impact on other projects we're working on. We have a huge capital budget for this department and other infrastructure departments across our government. Our capital budget for this year is \$125 million, which is probably the biggest capital budget that we've experienced in the history of this government. It's probably larger than the total of all the capital projects budgets that we had a short few years ago. It's challenging in itself to have all the projects out the door and delivered. We're working very hard to have that done.

As I indicated earlier, we intend to put together a good communications plan. We have already targeted a number of things that we want to do. We want to do a website. We want to do a newsletter. We've also taken on the practice of providing technical briefings to the media. We'd like to continue that as this project moves forward. We've already done two of those briefings and we want to continue that. We'll also be providing site visits to media and other people that are going to be interested, as time allows and opportunity allows. So there is going to be a very enhanced communication position from our staff and we'll certainly welcome any other suggestions that Members may have.

MR. YAKELEYA: I'll just close off with a question here. A comment and a question, I guess. When we first started out with this type of discussion around the Deh Cho Bridge, we always want to look at two things: the best scenario and the worst scenario. I think today we are dealing with the worst scenario. That's reality. That also takes a lot of courage and leadership and foresight to deal with this type of issue. But we are dealing with the worst scenario today. It's right before us.

I want to ask the Ministers about dealing with the worse scenario and this bridge being completed, what if some poor guy, something that happened out of our control with the bridge, if the bridge is completed and something happens that people can't cross it for a week or so. Are we having that type of discussion with your planners about emergency alternatives being considered? God forbid that doesn't happen. We need to look at something like that in case of things like that popping up. I'll just leave it at that. Forward thinking about what happens when the ferry is out and people get antsy and cranky up here because they don't have the ferry and can't get their fresh products and all that. For us in the Sahtu it's normal, but over here it's a little different. I want to just ask that question, because I'm thinking about the high cost of living up in our communities. I hope

this certainly brings our cost of living down in the Sahtu and further north.

CHAIRMAN (Mr. Krutko): Thank you, Mr. Yakeleya. It was more comment than question, but it's your prerogative to respond. It's up to you.

HON. MICHAEL MCLEOD: Thank you, Mr. Chairman, for that opportunity. There certainly have been challenges with this project right from the get-go. There have been issues with contractors, challenges with the design that didn't meet the code. The challenges have been ongoing and I'm not sure if this is what we expected in terms of scenarios. It's certainly not the one we wanted to be in. However, having said that, we have right now a \$15 million cost overrun that we have to accommodate and repay. Now we have to take on this onto our borrowing that will potentially have an impact on our borrowing limit.

I'm quite happy that some of the issues that we've been challenged with we've been able to resolve. For some time we've been dealing with issues on this project. Our staff has worked hard to deal with them and we continue to do so. This time around with the challenges we're facing on the borrowing limit, we have a way around it. The Finance Minister and the Premier have talked to the federal people and they have indicated that they will give us some relief. I guess that's refreshing to hear that we can work our way around it.

There is still potentially a lot of room in our budgets when we come to the five-year point. I know that's a concern for a lot of Members, but we have to look at it from that standpoint of what's realistic and where we are.

CHAIRMAN (Mr. Krutko): Next on the list I have Mr. Beaulieu.

COMMITTEE MOTION 2-16(5):
SEEK A 10-YEAR TEMPORARY INCREASE
TO THE TERRITORIAL BORROWING
AUTHORITY LIMIT,
CARRIED

MR. BEAULIEU: Thank you, Mr. Chairman. I have a committee motion. I move that this committee strongly recommends that the Premier of the Northwest Territories take immediate action to seek federal authority for a temporary increase to the territorial borrowing authority limit for a 10-year period rather than the five-year period as is currently contemplated.

CHAIRMAN (Mr. Krutko): The Member has made a motion. The motion is being circulated. The motion is in order. To the motion. Mr. Ramsay.

MR. RAMSAY: Thank you, Mr. Chairman. I suppose this is one scenario that we should be asking for the 10-year period rather than the five-year period, but that's just to me delaying the inevitable. This is a situation that this government

has gotten itself into and I think we have the responsibility or should have the responsibility to try to get ourselves out of it the best that we can and not saddle a future government with the debt.

My belief is we probably should take a look at the infrastructure spending next year on our capital projects and we should look at rolling that up and putting that money into this project to make sure that we do take responsibility. Now, that will mean projects around the Northwest Territories not getting concluded, but that's the responsible thing to do. That's this government taking care of things and not leaving it to the next government if it's five years or to the future government if it's 10 years. That's even if we do get a commitment from the federal government to do this. I really hope we do get something, but my belief is that we should take that responsibility on. We should go into that with our eyes wide open and try to make sure that we do not saddle future governments with this debt the best that we can. We want to leave office in 18 months not hanging this over the head of future governments. If we can downplay that somewhat by taking some capital spending next year and directing it towards this project, then that's what we should do. Bite the bullet for a few years and pay this off and be done with it. That would be my recommendation. I can't see myself, well, I'll support it. I will support it because I'm at the... I don't know what else to do.

CHAIRMAN (Mr. Krutko): Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. I make the motion because I don't view this debt as something that appears to be a regular type of debt. It seems that our other debt we're able to move on it quickly if we choose to do so. We use our infrastructure money surpluses in order to reduce our overall debt. At the end of the year, we always have the option to put money into our debt if we wish to do so.

This Deh Cho Bridge debt is not the same. We can't pay it down. If we pay it down then we're going to pay penalties. The 35-year term, like I indicated in my earlier statement, at 3.17 percent is fairly reasonable and I kind of view this as a self-liquidating debt and to move too quickly on it in five years I think the Premier indicated that the debt would drop to about \$155 million. I'm thinking that roughly calculating over a 10-year period that could drop to about \$140 million making it easier and spreading the pain out.

For me it's not like saddling the future government with a debt. We're going to have to anyway with the next government or the government right after that in a five-year term. I think with a 10-year thing it gives the future governments two full terms to be able to try to deal with this debt and be in a good position at the beginning of the two governments from now, the 18th or 19th Assembly, to be able to

look at that and prepare at least for 10 years each year to reduce the amount of the overall debt that you can reduce by using surplus. This debt will remain. If it's \$140 million at that time, unless we want to pay huge penalties and get out, it will remain there. This is actually a real simple solution to not putting or affecting or negatively impacting infrastructure spending for this government in the immediate future when we need to spend some infrastructure dollars, especially in the small communities.

Generally, the way the economy is, infrastructure spending may be essential to the survival of the economy of the NWT. This stands in our way. This is one way of pushing it aside for an additional five years without it having an impact.

CHAIRMAN (Mr. Krutko): Mr. Menicoche.

MR. MENICOCHÉ: Thank you very much, Mr. Chairman. I looked at the fiscal updates along with all the other Members and I'm not really convinced that spreading it out for an additional five years will be of any benefit at all. I think our fiscal forecast showed that even without the Deh Cho Bridge debt on our books we still had to have some strong fiscal measures for the following year. I think that's an important aspect. It doesn't do us any good to have special over-expenditures for a longer period of time, I don't believe anyway. So because I'm not convinced. I won't be supporting this motion. I'll abstain. Thanks.

CHAIRMAN (Mr. Krutko): Mr. Hawkins.

MR. HAWKINS: Thank you, Mr. Chairman. I will be voting for the motion.

---Laughter

I feel strongly I can make that commitment. I think an important factor to emphasize here, although it's a side of this fundamental issue which is the fact that this \$500 million debt wall is an arbitrary number set by an Order-in-Council by the Government of Canada on us. It has no basis or values, in my view, that speak to the fact that is a \$500 million debt wall a reasonable debt wall for this government in its ability to pay. You know, it doesn't speak to the bigger problem. I mean I support the motion, but the problem is this motion, it's not asking the direct question, which ultimately is the fact of why does the GNWT carry a debt wall, and this motion speaks to ways that we could avoid that problem and that's why I'll support that.

I only wish that the federal government would recognize, certainly within our lifetime as a government, although I don't necessarily see that happening, our debt should be based on the principle of being able to pay versus not pay and debt should be considered a ratio of us being able to make reasonable payments. This motion is a response to finding a way to work around that and if Canada could find it in its heart to maybe explain to

us why we deserve a \$500 million debt wall I know it would certainly be appreciated from my point of view because, again, it reflects nothing in my view of our ability to do our job here. That policy makes no sense to me in my mind.

Our government had come out with a fiscal responsibility policy a few years ago and I thought it was a good quality piece of material that the Finance shop came up with and I think it spoke well to the way this government manages debt, yet we continue to be straddled with this problem. This motion speaks to finding a way to work around it, but the sad thing is we never seem to be able to deal with the real problem, which is the federal government continues to control our territorial government, and not only our government, lastly, Mr. Chairman, the Yukon government as well as the Nunavut government. No other province would stand for this and it's unfortunate. Thank you.

CHAIRMAN (Mr. Krutko): To the motion. Premier Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Just very briefly, Mr. Chairman, when this issue first came up I approached the Finance Minister. I had to call, had a commitment to work on a relief project specific and at that point then followed up with committee and informed Members, as I have done here, that we developed a proposal that looked at five years. That's what's in front of them. We don't know what they're going to respond with, but I just felt that I needed to put that down as well, just for comment. Thank you.

CHAIRMAN (Mr. Krutko): Mrs. Groenewegen.

MRS. GROENEWEGEN: Thank you. I don't want to be contrary and not support the motion, but, I move the committee strongly recommends that the Premier of the Northwest Territories take immediate action to seek federal authority for a temporary increase to the territorial borrowing authority. Well, good luck with that. I mean we just had it raised from 300 to 500 not so long ago and that was a big ordeal.

We're not on a shopping trip here. We're not going down to the federal government and saying, you know, we'll take one of those or one of those, we'll take 10 years instead of five years, we'll take, you know? I mean I think I'm going to be really, really happy when I see in writing that the feds have actually concurred with our original request. I mean, to ask for more, I think we're wearing glasses that have rose tint to them. I'm going to be very appreciative if Minister Flaherty grants our request. I'm going to be very, very happy. So now to go back and try and double that time, I don't know. Like I said, I'm not trying to be contrary, I mean it's a great idea, but I just don't think it's going to wash. Let's just try and get in writing and get it tied up what we initially asked for. That would be my strategy.

CHAIRMAN (Mr. Krutko): To the motion.

SOME HON. MEMBERS: Question.

CHAIRMAN (Mr. Krutko): Question is being called.

---Carried

We're dealing with the Department of Transportation, capital investment expenditure, highways, not previously authorized, \$165.439 million. Agreed? Mr. Ramsay.

MR. RAMSAY: Thank you, Mr. Chairman. Just a few more questions. I know it's getting late and people want to probably get home and do other things, myself included. I just had a few other questions. I guess the first one going forward is I just want some assurances that the oversight on the site is going to be done by an independent third party and I think that we talked a little bit about this, the Minister and I, in another meeting we had, and I just want to get some assurances from him that all of the quality assurance and quality control there will be of an independent nature and companies performing quality assurance and quality control won't be directly related to other companies doing work on that site. I think that's a conflict of interest in my mind, but maybe if I could get some assurances that that's not going to happen. Thank you.

CHAIRMAN (Mr. Krutko): Deputy Premier, Mr. Neudorf.

---Laughter

MR. NEUDORF: Thank you, Mr. Chair. We have provided information before about the new project management scheme that we have set up for this project and we certainly are very pleased with it. I would note that quality control is always the responsibility of the contractor. So it's the contractor that hires the firm to do that. It's integral to the work that they have to do to make sure that it's being performed according to the specifications and it meets all the required standards. So that is never independent of a contract. Quality assurance is independent of that. It's something that will be, in this case, controlled by Associated Engineering. They've got two firms, Levelton and Sargent and Associates that will do that work for them and we're certainly very pleased with their credentials, very pleased with the team that we have in place. Thank you.

CHAIRMAN (Mr. Krutko): Just for the record, that's deputy minister of Transportation, Mr. Russell Neudorf. Mr. Ramsay.

MR. RAMSAY: Thanks, Mr. Chairman. Again, I wanted to get back to, and I hate to have the Minister of Transportation and his staff think I'm being petty or I'm getting into too much detail on this project, but, you know, excuse me, but if we dump \$1.5 million worth of rock into the Mackenzie

River that we shouldn't have dumped in the river, I think somebody should be concerned about it and I hope they appreciate my concern.

You know, if those piers aren't protected, eventually it is going to be an issue of safety for those piers and for the travelling public. So I don't bring these up, I'm not just making this stuff up on the fly. I mean, it's real. Somebody approved dumping \$1.5 million worth of rock into the Mackenzie River that didn't meet standard and I think that's a question that we need some assurances that that kind of thing is not going to be happening on this project.

I'd like to ask the Minister specifically how often did the Department of Transportation... I know we've got people working from the department on the project and we've had them, you know, supposedly on site here for a while, I'd like to ask the Minister if he could let us know when exactly our department staff was on site during the construction, 2008-2009. How many days did our staff actually spend there on that site looking at the work that was being done? Thank you.

CHAIRMAN (Mr. Krutko): Minister of Transportation.

HON. MICHAEL MCLEOD: Mr. Chairman, a couple of things. First of all, I think any time there's a question about whether we're doing our job properly or the project is being referred to as not doing due diligence in certain areas, it's of concern to us and at the same time if there are issues being raised to the Member or any other Members, we want to hear about it. We'd certainly welcome a sit down briefing and we'd really appreciate to see what he's discussing or what's being brought to his attention.

Again, we are concerned that somebody involved in the project who is a professional would take this route rather than come to us or anybody involved with the project directly. Having said that, our involvement on the project in the first year was quite limited in terms of having people on site. It was managed by the Deh Cho Bridge Corporation and we, as a government, did not have a regular scheduled visit with any of our staff. We had people go onsite and do quick inspections, look at reports and things of that nature.

In the second year, this past year, we changed our methodology. We no longer used the project management board. We inserted ourselves in different aspects of the construction season. We had people on site on a regular basis; weekly if not at least biweekly.

So there are two different scenarios and two different ways we dealt with this project, which differed from the first year to the second year. We could, I guess, compile that information at some point to provide to the Member on the actual days. We don't have that information right with us today.

MR. RAMSAY: I thank the Minister for that. I guess considering the Government of the Northwest Territories had, or still has, a \$165 million ticket out there on the line, I'm surprised that we weren't more involved early on. I know we probably gave too much slack to the Deh Cho Bridge Corporation. In hindsight, we probably should have been there. The department should have been there. We should have been watching what was going on there, especially in that first year of construction, and we didn't.

Again, I am appreciative of the fact that the department has stepped in last year and they continue to maintain a presence there with the new project management team as well because, like I said, the bottom line for me is that the project gets done the right way and all the issues are addressed before we spend any more money. That's what I want to try to get at through these questions.

I, again, certainly will sit down with the Minister, as soon as possible, and his staff, as well as any other Member who wants to come to the meeting and I'll show him what I've got and I'll talk to him about what I know. Hopefully we can address some of these concerns, because at the end of the day, we are going to be spending another \$90 million on this project and we need to have every assurance that we're not throwing good money after bad and that this project is going to get done and done right. So with that, thank you, Mr. Chairman. Thanks.

CHAIRMAN (Mr. Krutko): More of a comment than a question. Transportation, capital investment expenditures, highways, not previously authorized, \$165.439 million.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Total department, not previously authorized, \$165.439 million.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Does committee agree that Tabled Document 8-16(5), Supplementary Appropriation No. 2, 2010-2011 (Infrastructure Expenditures), is concluded?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Krutko): Mrs. Groenewegen.

COMMITTEE MOTION 3-16(5):
CONCURRENCE OF Tabled DOCUMENT
8-16(5), SUPPLEMENTARY APPROPRIATION
NO. 2, 2010-2011
(INFRASTRUCTURE EXPENDITURES),
CARRIED

MRS. GROENEWEGEN: Thank you, Mr. Chairman. I move that consideration of Tabled Document 8-16(5), Supplementary Appropriation No. 2, 2010-2011 (Infrastructure Expenditures), be now concluded and that Tabled Document 8-16(5) be reported and recommended as ready for further

consideration in formal session through the form of an appropriation bill. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko): The motion is in order. To the motion.

SOME HON. MEMBERS: Question.

CHAIRMAN (Mr. Krutko): Question has been called.

---Carried

I'd like to thank the Minister and witnesses. Sergeant-at-Arms, escort the witnesses out.

What is the wish of committee? Mrs. Groenewegen.

MRS. GROENEWEGEN: Thank you, Mr. Chairman. I move that we report progress.

---Carried

CHAIRMAN (Mr. Krutko): I will rise and report progress.

Report of Committee of the Whole

MR. SPEAKER: Could I have report of Committee of the Whole, Mr. Krutko.

MR. KRUTKO: Mr. Speaker, your committee has been considering Tabled Document 8-16(5), Supplementary Appropriation No. 2, 2010-2011 (Infrastructure Expenditures), and would like to report progress, with three motions being adopted, and that consideration of Tabled Document 8-16(5) be concluded and that the House concur in those estimates and that an appropriation bill be based thereon be introduced without delay.. Mr. Speaker, I move the report of Committee of the Whole be concurred with.

MR. SPEAKER: Thank you, Mr. Krutko. A motion is on the floor. Do we have a seconder? The honourable Member for Great Slave, Mr. Abernethy.

---Carried

Item 22, third reading of bills. Mr. Clerk, orders of the day.

Orders of the Day

CLERK OF THE HOUSE (Mr. Mercer): Orders of the day for Wednesday, March 24 2010, at 1:30 p.m.:

1. Prayer
2. Ministers' Statements
3. Members' Statements
4. Returns to Oral Questions
5. Recognition of Visitors in the Gallery
6. Acknowledgements
7. Oral Questions

8. Written Questions
9. Returns to Written Questions
10. Replies to Opening Address
11. Petitions
12. Reports of Standing and Special Committees
13. Reports of Committees on the Review of Bills
14. Tabling of Documents
15. Notices of Motion
16. Notices of Motion for First Reading of Bills
17. Motions
 - Motion 5-16(5), Request for Special Audit by the Auditor General of Canada on the Deh Cho Bridge Project
18. First Reading of Bills
19. Second Reading of Bills
20. Consideration in Committee of the Whole of Bills and Other Matters
 - Tabled Document 4-16(5), Executive Summary of the Report of the Joint Review Panel for the Mackenzie Gas Project
21. Report of Committee of the Whole
22. Third Reading of Bills
23. Orders of the Day

MR. SPEAKER: Thank you, Mr. Clerk. Accordingly, this House stands adjourned until Wednesday, March 24, 2010, at 1:30 p.m.

---ADJOURNMENT

The House adjourned at 9:33 p.m.