



Via Email: caroline_cochrane@gov.nt.ca

May 28, 2020

The Honourable Caroline Cochrane
Premier and Minister of Municipal and Community Affairs (MACA)
Government of the Northwest Territories
PO Box 1320
Yellowknife, NT X1A 2L9

Dear Premier Cochrane:

RE: Remote Lodge Permitting

I am writing to express our concerns over what Northwest Territories Tourism considers to be a significant failure of government policy in respect to the permitting and regulation of remote fishing lodges.

I was alarmed to learn that Frontier Lodge, a long-standing and successful fishing lodge operation that has operated in the East Arm for more than 30 years, is now in a permitting predicament that may well destroy the business. As a sector, we take this very seriously. We need the GNWT to work with us and our members to build and promote our industry, not to create new barriers for success and disincentives for investment.

As you are now aware, Frontier Lodge was recently acquired by the Łutsel K'e Dene First Nation. The people of Łutsel K'e have invested heavily in the business. That work was supported and encouraged by the GNWT and by our association. Since acquiring the Lodge, Łutsel K'e has been working closely with our association and with several federal and territorial departments to secure additional investments to transform their business into a truly Northern and Indigenous tourism destination and a gateway to Thaidene Nene.

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I believed that the GNWT understood the potential opportunities for making Frontier Lodge the tourism and hospitality hub in the region, and the possibilities of supporting a more diversified economy, dozens of new local jobs, and a long-term sustainable future for the community.

But that will only happen if the business can survive. That was going to be difficult enough in the face of the current COVID pandemic – it is going to be nearly impossible if the GNWT does not reconsider its current position on permitting Frontier Lodge. It appears that the GNWT is making decisions in silos, and that MACA's rigid approach to permitting is working directly against the shared interests and investments that Lutsel K'e, ITI, CANNOR and Northwest Territories Tourism have made in the success of Frontier Lodge.

MACA appears to be working at cross-purposes to the mandate of your Government to increase economic diversification in the non-extractive sector by working with Indigenous communities to advance tourism opportunities outside of Yellowknife.

We wish to emphasize that this is not simply a problem for Frontier Lodge. The same issues will arise for other communities and other remote lodges unless there is a wholesale policy change.

Simply put, Northwest Territories Tourism believes that MACA should not be in the business of licensing remote tourism businesses. In our view, this is the job of the Department of Industry, Tourism and Investment, which has both the legislation and the competence to license tourism operators. When a tourism operator receives a Tourism Operator's License from GNWT ITI, this should serve as the business license, and should enable other departments and agencies (including the Liquor Board) to process applications for ancillary permits and authorizations that the licensed tourism operator requires. ITI carries out annual inspections of licensed tourism operations, and can do so in coordination with public health, the Office of the Fire Marshall, and other agencies to ensure that health, safety and environmental standards are being met.

This is the approach that we recommended several years ago, when the issue of a MACA business license requirement was first proposed. At that time, we advised the GNWT that the duplication of effort was not only unnecessary, but was likely to result in wholesale closures across our sector, as few if any existing remote lodges were likely to be in compliance with the National Building Code and would require time, accommodation, and government assistance in order to be able to continue to operate while implementing any necessary changes.

It now appears that our industry's recommendations have been ignored, and further, that the full weight of the MACA and the Office of the Fire Marshall is being now brought to bear against Frontier Lodge. The resulting situation is unfortunate and could have been avoided had our association's advice been followed at the time.

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That said, we do not believe that you take any satisfaction from this situation, and that you share our resolve to find a solution not only for Frontier Lodge, but for the rest of our struggling sector. Remote tourism operators must be able to deal with a single department for the purposes of licensing and inspections, and must operate under a coherent policy that allows our industry to bring aging facilities up to modern standards without the penalty of losing their permits to operate and their ability to generate revenue.

We also note that the recovery from COVID will likely mean that many of our existing clients may never return – and that new investments will be required to attract new clients and visitors to the Northwest Territories. Many of those people will be looking for new experiences beyond the existing remote fishing operation’s current offerings. This is why it is so important for Frontier Lodge to succeed – it is uniquely placed by virtue of ownership and location to lead the first wave of that transformative change.

But that will never happen if we allow government indifference and bureaucratic inertia to destroy a community’s dreams – or to stand in the way of badly needed new investment. What other communities or entrepreneurs are likely to invest in acquiring any of the existing remote lodges when they know that it may take a full season and an unknown amount of additional capital to obtain new permits to operate after a simple ownership change? And what existing operator is going to invest in upgrading existing facilities when their revenues cannot support new capital? Existing GNWT policy has created a perfect Catch-22 scenario, and it must change.

For these reasons, Northwest Territories Tourism fully supports Łutsel K’e’s request for an exemption from the additional requirement to obtain a MACA Business License requirement for Frontier Lodge, and for their permits and licenses to be renewed for 2020 under the same terms as they were held in 2019.

I further ask that consideration be given to our previous recommendations to exempt all remote tourism operators who hold Tourism Operator’s Licenses from the additional requirement for a MACA Business License, and for a policy and strategy to be implemented to support our sector to modernize our infrastructure and to transform our offerings in a manner that allows us to continue to operate while these changes are being made.

I am always available to meet with you, Minister Nockleby, and departmental officials to discuss these matters further to advance a solution.

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We look forward to helping your government achieve its mandate to increase economic diversification in the non-extractive sector and to advance tourism opportunities outside of Yellowknife in partnership with Indigenous governments, local communities and our membership.

Yours truly,



Harold Grinde
Chairperson
NWT Tourism

- C: NWT Tourism Board of Directors
- C: The Honourable Katrina Nockleby, Minister of Industry, Tourism & Investment
- C: Chief Darryl Marlowe, Łutsel K'e Dene First Nation
- C: Corey Myers, General Manager, Frontier Lodge

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