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Thursday March 3, 2005

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Iqaluit

Speaker: The Honourable Jobie Nutarak, M.L.A.

Legislative Assembly of Nunavut

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Iqaluit, Nunavut
Thursday March 3, 2005

Members Present:

Honourable Leona Aglukkaq, Honourable Olayuk Akesuk, Mr. David Alagalak, Mr. James Arreak, Mr. Levi Barnabas, Honourable Levinia Brown, Mr. Tagak Curley, Mr. Joe Allan Evyagotailak, Mr. Peter Kattuk, Honourable Peter Kilabuk, Mr. Steve Mapsalak, Mr. Patterk Netser, Honourable Jobie Nutarak, Honourable Paul Okalik, Mr. Keith Peterson, Honourable Edward Picco, Honourable David Simailak, Honourable Louis Tapardjuk, Mr. Hunter Tootoo.

Item 1: Opening Prayer

Speaker (interpretation): Good afternoon. I would ask Mr. Evyagotailak to say the opening prayer.

>>*Prayer*

Item 2: Ministers' Statements

Speaker (interpretation): Welcome Mr. Premier, Ministers and Members. Going to the orders of the day. Item 2. Ministers' statements. Mr. Premier.

Minister's Statement 063 – 2(2): Community Constable Training Made More Accessible to Nunavutmiut

Hon. Paul Okalik: Thank you, Mr. Speaker. The Department of Justice and the RCMP have held discussions on how to improve policing services for Nunavutmiut by increasing the number of community constables in the territory and redoubling our efforts to recruit more Inuit RCMP officers into the force.

As a result, the RCMP will be re-activating the Community Constable program by making the required training more accessible to Inuit. Instead of requiring prospective candidates to travel to Regina to complete their training, the RCMP V Division will be offering the training program in Nunavut.

>>*Applause*

This coming April and May, candidates from across Nunavut will be brought to Iqaluit for a two week training session. On their return to their communities, the candidates will then become community constables, with authority and skills above the level of a bylaw officer. For some, this will be a stepping stone to becoming full members of the RCMP.

Mr. Speaker, this initiative is intended to improve policing services by bringing policing closer to the communities. We hope it will lead to policing for Nunavutmiut by

Nunavutmiut, by assisting the RCMP's effort to make the force more reflective of Nunavut. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you. Ministers' statements. Ms. Brown.

Minister's Statement 064 – 2(2): Chemotherapy Closer to Home Initiative

Hon. Levinia Brown: Thank you, Mr. Speaker. I rise today to inform the Legislative Assembly of the latest development regarding all Chemotherapy Closer to Home initiatives. A Nunavut team of health professionals met recently with the Senior Management Team of Cancer Care Manitoba.

The meeting resulted in a draft outline of all the components required to develop a proposal for a cancer care program clinic in Rankin Inlet for the Kivalliq region. The proposed clinic will be in partnership with Cancer Care Manitoba, whose network has 16 Cancer Care programs servicing rural and remote parts of Manitoba. A final draft of the outline has a target date of March 31st, 2005.

After approval by the Health and Social Services' Minister, and the Cancer Care Manitoba board of directors, the Chemotherapy and related Cancer Care program in Rankin Inlet, it is anticipated to be operational by October 2005.

A key element of the proposal will be the training of physicians, nurses, pharmacists in chemotherapy administration. This is planned for late summer of 2005 in Winnipeg at Cancer Care Manitoba.

Mr. Speaker, the Department of Health and Social Services strives to provide quality healthcare to all residents of Nunavut as close to home as possible. Our goal is eventually to see all Nunavutmiut having improved access to cancer treatment in Nunavut. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you. Ministers' statements. Mr. Picco.

Minister's Statement 065 – 2(2): Curriculum and Support Services Success Stories

Hon. Ed Picco: Thank you, Mr. Speaker. Today, I would briefly like to touch on the good work done by the Curriculum and Support Services Division of the Department of Education. The curriculum staff division, in fact, has just published a catalogue listing materials published in 2000, to help our teachers bring Nunavut and Inuit values into the classroom.

The Sansimajut Catalogue was given to every teacher at the beginning of last week's Federation of Nunavut Teachers' Conference held here in Iqaluit.

Mr. Speaker, this is just a start. Work will soon be underway for curriculum for teachers of Inuinnaqtun. Both Inuktitut and Inuinnaqtun curriculum are a priority in the curriculum team's aggressive four year plan.

Another part of the division, Student Support Services, has attracted national attention for its innovative work on inclusive education. The Tumiit model on schools to provide appropriate education programs that are challenging and yet geared to students' capabilities to ensure successful learning for all students.

This model is still in the progress of being adopted by our schools. However, in a scientific paper prepared by Memorial University about inclusive models of education, Nunavut's proposed approach was singled out as the model for consideration by the rest of Canada.

>>Applause

Mr. Speaker, I think it is clear that the Department of Education is striving for excellence in the fields of curriculum and special education and a good learning environment is an essential part of a life-long learning experience that we hope to offer the people of Nunavut today and in the future. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you. Ministers' statements. Going back to the orders of the day. Item 3. Members' statements. Mr. Tapardjuk.

Item 3: Members' Statements

Member's Statement 139 – 2(2): Recognition of Moshi Kuuttiq

Hon. Louis Tapardjuk (interpretation): Thank you, Mr. Speaker. I am very proud and would like to announce in the House that in one of my ridings, the Nunavut Government has employed an individual from my riding. Moshi Kuuttiq, is the first Inuk to have completed his education in being a biologist. He is a carnivore biologist and completed her full training. She will be working for the Department of Environment in Igloolik.

Moshi went to school in Ontario and got his bachelor degree in science at Carleton University. I wish to recognize Moshi Kuuttiq who has completed his training and I urge all young Nunavutmiut to strive to get into these types of positions. Thank you.

Speaker (interpretation): Thank you. Members' Statements. Mr. Mapsalak.

Member's Statement 140 – 2(2): More for Non-Decentralized Communities

Mr. Mapsalak: Thank you, Mr. Speaker. I rise today to talk about the need to do more for our non-decentralized communities in addition to developing more Inuit relevant programs.

Mr. Speaker, in our commitment to building Nunavut's future, Pinasuaqtavut, one of the objectives of the second Legislative Assembly, is to enhance economic opportunities and social programming in smaller communities. Mr. Speaker, the Minister of Justice said that one of the more positive programs in his department has been the outpost camps programs for rehabilitation of our adult inmates as well as young offenders.

Mr. Speaker, there is great potential to develop these outpost camps in our non-decentralized communities and I know there are already a number of outpost camps in Nunavut. Mr. Speaker, I also believe that this type of rehabilitation programming is more effective than just institutionalizing our inmates.

Mr. Speaker, I was pleased to hear that Minister's Statement on the department's initiative of hiring Inuit as managers in the four main correctional institutions. I wish to congratulate them as well. Mr. Speaker, at the appropriate time I will be asking the Minister some questions. Thank you, Mr. Speaker.

>> *Applause*

Speaker (interpretation): Thank you. Members' Statements. Mr. Evyagotailak.

Member's Statement 141 – 2(2): Funeral and Burial Arrangements

Mr. Evyagotailak: Thank you, Mr. Speaker. Mr. Speaker, I rise today to draw my attention to issues that affect us all, our families, our friends and our constituents and all Nunavutmiut.

It is a fact that every human being on earth will eventually die. That is not a pleasant topic to speak on. It is often a painful subject, but it does no good to turn our heads away and ignore the issue. We must be prepared to address them.

I know that one of my fellow members of the Legislative Assembly has written a number of letters and e-mails to ministers and departmental officials, asking for information on policies and procedures relating to death and burial for Nunavutmiut.

He has expressed his frustration at the lack of responses to date. Mr. Speaker, it seems that there is a lack of consistent support for funeral and burial arrangements in Nunavut presently for those who pass away.

It is important that overall policies be established to assist families and communities at difficult times. I understand that there are some specific circumstances where the

government may assist with burial arrangements. If a person was on income support and completely destitute at the time of their death, then the government may step in.

If the person dies after receiving medical care out of the territory, the government may step in so that the body can be returned home.

Some Nunavut hamlets provide caskets for community residents. Mr. Speaker, I seek unanimous consent to conclude my statement.

Speaker (interpretation): The member seeks unanimous consent to conclude his statement. Are there any nays. There are no nays. Please proceed, Mr. Evyagotailak.

Mr. Evyagotailak (interpretation): I would like to thank all my colleagues for allowing me to finish my statement.

(interpretation ends) Some Nunavut hamlets provide caskets for community residents and do so out of their own budgets. But, every hamlet is different and there is no general policy to make them provide this basic service. Mr. Speaker, in my case, the extended family of the deceased person does their best to make the necessary arrangements.

I understand that with the support of the Office of the Public Trustee or a lawyer, funeral costs may be received through the individual's estate. As with any bureaucratic process, this can take a lot of time and when families and communities need to deal with arranging a funeral, they do not have a lot of time to spare.

Mr. Speaker, I urge the government to address this issue as soon as possible. It is important that the Minister of Health and Social Services work their colleagues in Education, Community and Government Services and the Coroner's office to put general policies in place. Nunavutmiut deserve to be treated with dignity in life and in death.

It is time that our government gets them that last sign of respect. Mr. Speaker, at the appropriate time, I shall have questions on this issue. Thank you, Mr. Speaker.

>>*Applause*

Speaker (interpretation): Thank you. Members' statements. Mr. Barnabas.

Member's Statement 142 – 2(2): Medical Travel Policy on Escorts

Mr. Barnabas (interpretation): Thank you, Mr. Speaker. I rise today to follow up on some comments made by my colleague from Akulliq regarding the medical travel policy.

I raised this issue the last time we met. The Minister of Health and Social Services assured me that unilingual elders traveling south for medical treatment should have an escort. Yet, I'm still hearing of situations where elders from my communities of Arctic Bay, Grise Fjord and Resolute Bay are being sent south without an escort.

Mr. Speaker, I think there are five elders who have been sent south without an escort. There was one recently who waited at the Iqaluit airport until 11:00. He stayed at the terminal all night, not knowing where to go, even if he took a cab to go anywhere. This is not acceptable.

This past Saturday, another elderly unilingual lady was sent down south unescorted. She also arrived at 11:00 at night and no one was there to meet her.

Nunavut residents, especially elders, should not be treated this way. Mr. Speaker, I would like unanimous consent to conclude my statement.

Speaker (interpretation): The member is seeking unanimous consent to conclude his statement. Are there any nays. There are no nays. Please proceed.

Mr. Barnabas (interpretation): Thank you, Mr. Speaker and my colleagues for giving me the privilege to conclude my statement.

Even the Minister of Health and Social Services has stated that they should not be treated this way. But, these incidences are still occurring today. Elders should not be left to look after themselves in a strange place where people do not speak their language.

(interpretation ends) Last November, the minister had indicated that she would ask her staff to publicize the policy to Nunavutmiut through the media and perhaps through the CBC. That does not seem to have happened. Mr. Speaker, the medical travel policy may exist, but it is obviously not being used the way it was intended.

I urge the Minister of Health and Social Services to make sure that her departmental staff are aware of the policy and apply it correctly. At the appropriate time, I shall ask question on this issue to the Minister. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you. Members' Statements. Mr. Peterson.

Member's Statement 143 – 2(2): Recognition of Plan of Care Committees

Mr. Peterson: Thank you, Mr. Speaker. I am pleased to rise today to recognize the many people who volunteer their time to participate in the plan of care committees.

The Child and Family Services Act provide social workers with the authority to apprehend children who are in danger, often from the people who love them. At the same time, the act provides mechanisms for community residents to work together to help parents and children come back together as families.

Plan of Care committees are made up of concerned relatives, neighbors and community residents who are willing to give up their time to help families and children in crisis. It is not easy being a committee member. The committees meet every two to four weeks with families to talk with them about their problems, work with them to set goals, encourage their progress, and to listen to their hopes for a better future.

Very often, it can be an emotional and stressful experience to all committee members. Mr. Speaker, I didn't fully appreciate the tremendous value of the plan of care committees until I was approached by a social worker to participate in one. Two fellow residents, an RCMP officer and a Government of Nunavut official were also asked to participate.

We were asked to participate as community residents, not in our official roles. The parents endorsed our participation. I am pleased to tell the house that our plan of care committee was successful in helping the family to reunite. It is ultimately the parents who deserve the most credit, because of their commitment to bringing their family together again.

It is with this in mind that I ask the house to join me in recognizing all plan of care committees and other people, including social workers in our communities, who work with children and families. Mr. Speaker, I encourage Nunavutmiut to open their hearts to help families and children when they need it.

Strong loving and support of families are the backbone of our communities. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you. Members' Statements. Mr. Netser.

Member's Statement 144 – 2(2): Parents Use Teachers as Punching Bags

Mr. Netser (interpretation): Thank you, Mr. Speaker. Yesterday, in my Member's Statement, I read out the difficulties of being a student. Today, I want to read the story written by a teacher, (interpretation ends) entitled "Parents use Teachers as Punching Bags".

I am a school teacher and I am fed up with being used a punching bag. Too many times and too often, teachers and principals are abused by parents. The form of abuse are verbal and physical or threats or all of the above. We accept it because we have children to look after and educate.

I have observed children disagreeing amongst themselves. They say the most horrible things to each other, however, they will naturally forgive each other and solve their own problems. As adults, we tend to hold grudges towards each other a lot longer, whereas kids forget their disagreements in a matter of minutes.

Children have their own culture. They are natural at fabricating their own stories, in fact, they are famous for it. Furthermore, some parents are famous for believing their children word for word.

For this reason, a parent fuming with rage confronts the teacher or a principal, usually a parent makes a fool of himself/herself after learning the real story, and some kids are good at manipulating their parents and enjoy being a spectator while their mommy or daddy is dumping personal problems at school personnel.

Children see, children learn, and children do. This kind of behaviour is tolerated by many Nunavut educators. In reality, teachers and principals are such easy targets, we tolerate a lot, but our tolerance can only go so far.

Teach your child to be self-confident, Mr. Speaker, make them resilient, you can't fight their battle all the time, otherwise your child will grow up without adequate coping skills, then withheld by repress. Thank you, Mr. Speaker.

>> *Applause*

Speaker (interpretation): Thank you. Members' Statements. Ms. Brown.

Member's Statement 145 – 2(2): Kivalliq Inuit Association By-Election

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. Also in regards to Whale Cove and Rankin Inlet residents, all of you and also Ms. Kablalik, if you are watching the TV, I say hello to you.

I would like to acknowledge an individual who was recently elected to the Kivalliq Inuit Association. Jack Kabvitok, his name in Inuktitut is Tikiq. He was recently elected during the by-election on Monday.

Also, although I would never acknowledge Joe Kaludjak was elected for Nunavut Tunngavik Incorporated last December and I would also acknowledge and congratulate them.

The reason why I would like to acknowledge them is because we have to work closely together with them. Thank you.

Speaker (interpretation): Thank you. Members' Statements. Ms. Aglukkaq.

Member's Statement 146 – 2(2): Thank Individuals in Taloyoak

Hon. Leona Aglukkaq: Thank you, Mr. Speaker and good afternoon. I want to take this opportunity to thank my Cabinet colleagues, who took the opportunity this morning to meet with the Taloyoak mayor who is sitting behind me, Sam Tulurialik.

Sam Tulurialik was recently elected as the mayor of Taloyoak, and this was his first opportunity to meet with my Cabinet colleagues this morning. I wanted to thank the members personally because I know they would be, as well, trying to get ready for our session.

So, I also want to thank Sam for his ongoing support and collectively, I know that we will be working together to address the opportunities Taloyoak has to offer and to address the issues important to Taloyoarmiut. Sam will be here until tomorrow afternoon, weather permitting, Taloyoarmiut, if you are listening, we had a blizzard warning for today and tomorrow.

So, Sam may be here for another week, but it's great to have him in Iqaluit. It isn't too many times that I get to recognize people from Taloyoak and Gjoa Haven in the Gallery. I want to recognize him today and thank my colleagues. Thank you, Mr. Speaker.

>>*Applause*

Speaker (interpretation): Thank you. Members' Statements. Mr. Tootoo.

Member's Statement 147 – 2(2): State of Affairs at Nunavut Arctic College Report

Mr. Tootoo: Thank you, Mr. Speaker. I rise today to express how shocked and appalled I was at the disturbing state of affairs at Nunavut Arctic College as revealed by the report tabled yesterday by the Minister of Education.

After reading this document, which was completed last October, I find it surprising that the senior managers only met to discuss it this past Tuesday, March 1, as indicated by the minister. My interpretation of the findings of this report is that a lot of work needs to be done and done soon. It should have been a priority instead of waiting four months to address it.

Mr. Speaker, if this Executive Summary is a cleaned up version of the Final Report, minus the aspects of character assassination, as the minister alluded to, I shudder to think what other aspects of the running of Nunavut Arctic College might have been revealed.

The issue of accountability is raised over a dozen times most often to point out that there is a lack of accountability. Ineffective management is another issue that was raised more than once. Poor morale is noted as a problem across the territory.

Mr. Speaker, this External Review is a wake-up call where it should be. Post-secondary education, skill development, upgrading and training are the cornerstones of developing Nunavut's workforce. We need a strong accountable, well managed institution to provide the necessary education to meet the goals established at our Arviat Full Caucus retreat. Reading this report, it seems very clear that we do not have that.

As a former Adult Educator himself, I am sure that the Minister of Education shares my concern about this situation and I will be cooperating with my colleagues on this side of the House on this issue. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you. Members' statements. Mr. Curley.

Member's Statement 148 – 2(2): Recognition of Historical Events

Mr. Curley (interpretation): Thank you, Mr. Speaker. I too would like to send my regards to Rankin Inlet people who are watching these proceedings. I say hi to my wife.

Mr. Speaker, I rise today to reflect on the importance of both knowing our history and respecting historical. I will be speaking in English (interpretation ends) Nunavutmiut and other members of this House, I have spent a considerable amount of my life on airplanes. One of the few things to look forward to is a chance to catch up on reading without fear of interruptions from cell phones, emails or other pieces of invasive technology.

Mr. Speaker, a recent issue of Up Here magazine, to be exact the December 2004 issue caught my attention, as it contained an article titled 'Twenty Great Northerners.' A number of the names on this list were respected elder Mariano Aupilardjuk, reknown artist Kenoyuak Ashevak and prize winning film maker Zacharias Kunuk, to name a few. However, I was shocked and horrified and amazed to see one of names of the list was that of Matonabe, an infamous figure in our history.

Mr. Speaker, I believe that when we teach history we should not ignore the present moment and we must fully acknowledge that the impact that the people for good or for ill. At the same time we should not be honoring those who gained their prominence in part through the commission of the outrageous.

In this case, a popular magazine has chosen to misrepresent history. This is especially disappointing, given that so many people from southern Canada gain most of their northern knowledge from glossy publication such as this magazine, Up Here.

Mr. Speaker, if you take time to read Samuel Hearn's own journal and it is titled, 'A Journey from Prince of Wales Fort in Hudson Bay to the Northern Ocean', published in 1975, you will learn that this figure was a part of one of the most infamous massacres in northern history, the incident at Bloody Falls.

Mr. Speaker, I would like to ask for unanimous consent to conclude my statement.

Speaker (interpretation): The member is seeking unanimous consent to conclude his statement. Are there any nays? There are no nays. Mr. Curley, please proceed.

Mr. Curley: Thank you, Mr. Speaker. There are many other historic figures that are far more deserving of such an honour. Such people as Augustus Tatanuaq, who accompanied Franklin twice on his first two polar explorations. Joe Ipirvik, famous Baffin guy who served polar exploration for over 20 year and Akaitcho, who saved Mr. Franklin on his first expedition, all contributed to the opening of the north.

In today's world of high speed wireless internet, instant text messaging and other means of instant communication, we must not forget that one of our own principal responsibilities is to communicate a clear understanding of history to the next generation. I would urge the Minister of Culture also to make sure he alerts people of the magazine, such as this, that require a correction. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you. Members' Statements. Mr. Picco.

Member's Statement 149 – 2(2): Ambassador Paul Cellucci – Recognition

Hon. Ed Picco: Thank you, Mr. Speaker. His Excellency, Ambassador Paul Cellucci, formally launched a north of 60 US virtual presence post in Canada yesterday, at the Embassy of the United States of America in Ottawa.

Virtual presence posts use websites and internet space technology, as well a traditional personal contacts and exchange to further relations between Americans and populations in regions where the United States has no physical diplomatic posts. The United States consulates in Vancouver, Calgary and Quebec serve as official United States Government representatives to the Yukon, the Northwest Territories and here in Nunavut.

The consuls in the northern reaches of their districts serve Americans citizens living or traveling in those territories. Mr. Speaker, through the new north of 60 virtual presence posts, they will be able to communicate more widely with the public here in Nunavut.

The north of 60 virtual presence post website features pages on the US arctic policy, environmental protection, continental security, trades, consular services and tourism, along with links to government and non-government sites in both countries for the reference of American and Canadian citizens interested in learning more about each other.

Viewers can click on the virtual consulate for the Yukon Territory, the Northwest Territories or Nunavut Territory to access information specific to those areas. There is something exciting going on with this web host. There will be an open dialogue with Ambassador Paul Filucci for all residents of Nunavut.

On March 9, 2005, at 2:00 p.m. Eastern Standard Time, Ambassador Cellucci will hold a live on-line discussion. Mr. Speaker, participants from across Nunavut may submit questions at that time by logging on to the north of 60 US virtual presence post site at

www.canadanorth.usvpp.gov. Questions may also be submitted in advance by e-mail to Ottawaairc@date.gov. You can also visit our own Nunavut/United States Territory website on the virtual consulate for Nunavut Territory at www.nunavut.usvpp.gov. Ambassador Cellucci will soon be leaving his post and I want to take this opportunity to thank Paul for his continuing interest in us here in Nunavut. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you. Members' Statements. Item 4. Item 5, Recognition of Visitors in the Gallery. Mr. Curley.

Item 5: Recognition of Visitors in the Gallery

Mr. Curley (interpretation): Thank you, Mr. Speaker. I would like to recognize and congratulate the people from Rankin Inlet who are sitting across, Davik Ulujuk, Warwick Wilkinson, who are my constituents in Rankin Inlet North. They served the public very well. I would like them to be welcomed to this house. Thank you.

>>Applause

Speaker (interpretation): Welcome to the gallery. Recognition of Visitors in the Gallery. Ms. Aglukkaq.

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. I would like to recognize the Mayor of Taloyoak who is seated behind me, Sam Tulurialik. I would like to welcome him to the gallery. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Welcome to the Gallery. Recognition of Visitors in the Gallery. Mr. Simailak.

Hon. David Simailak (interpretation): Thank you, Mr. Speaker. I would also like to recognize the individual sitting behind me, David Uluyuk and Warwick Wilkinson. Mr. Wilkinson is a general manager of Piruqsaijit in Rankin Inlet.

David Uluyuk is now heading the Inuit-owned corporation. He has not had a formal education and we have to congratulate him for heading the Inuit-owned corporation, dealing with businesses and Inuit businesses and I have worked with him for 20 years.

In January of this year, he has just retired as a wildlife officer and he has worked there for 27 years and he has done some dog racing as well. He will be involved in the dog race in Hudson Bay Crest and as well as others. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Welcome to the Gallery. Recognition of Visitors in the Gallery. Mr. Barnabas.

Mr. Barnabas (interpretation): Thank you, Mr. Speaker. I would like to recognize the person that is an information individual, Jeremiah Qajaaq-Veevee sitting across over in the Gallery.

You must remember that Peter Kattuk and yourself, Mr. Speaker, and myself when we were members of the education board. His father, Allan Angmarlik, was very instrumental in helping us out and I would have liked to congratulate him if he was here. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Welcome to the Gallery. Item 5. Recognition of Visitors in the Gallery. Mr. Alagalak.

Mr. Alagalak (interpretation): Thank you, Mr. Speaker. I would also like to recognize David Uluyuk. His name is always on the radio from the people of Arviat and they are now raising funds for the Hudson Bay Crest and I am sure that David Uluyuk will be in the dog racing as well. We have to be able to give some donations to Mr. Uluyuk so he can be involved in the dog races on the Hudson Bay Crest. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Welcome to the Gallery. Recognition of Visitors in the Gallery. Ms. Brown.

>>Applause

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. I would also like to recognize David Uluyuk. His father was our Sergeant-at-arms last session, John Tautunngi. David Uluyuk's wife, Rosie, is my relative.

I would also like to recognize Bob May, who is part of the airline in the Kivalliq Region, and we are very grateful for the services that his company provides during the emergency situations in Rankin Inlet because I was medically evacuated with my grandchild one time and we made it okay. That was very good of those people for the services that they provide.

Behind me, David Uluyuk, beside David Uluyuk is Mr. Wilkinson. I would also like to recognize him, too, and behind me, the young individual, I would also like to recognize the individual. I was in Panniqtuuq with her recently. We went for a walk while we were there and I got to know her. Now I know her here from the Legislative Assembly because I had a chance to have some time with her in Panniqtuuq. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Welcome to the gallery. Recognition of visitors in the gallery. Going back to the orders of the day. Item 6. Oral questions. The member for Iqaluit Centre, Mr. Tootoo.

Item 6: Oral Questions

Question 185 – 2(2): Update on Credit Union

Mr. Tootoo: Thank you, Mr. Speaker. My question is for the Minister of Economic Development and Transportation. As members of this House will recall, the closure last year of the Bank of Montreal's branch here in Iqaluit caused a lot of concerns throughout the territory, especially here in the Baffin region.

Many people, including myself, took the time to formally write letters on the issue. One of the goals of the Nunavut Economic Development Strategy is to, and I quote, "Create a community savings and loans network, such as co-operatives, credit unions, community bonds, or other measures as means of increasing the availability of capital for business development." This is a goal that has been set for 2008.

Before I go on my question, just above that goal, on the same page, is a goal to re-examine the clawback provisions of income support and acknowledge that is something that has been done and achieved by this government, so they are looking at this.

My question for the minister is: as of today, how far along is his department in achieving that goal? Thank you, Mr. Speaker.

Speaker (interpretation): The Minister of Economic Development and Transportation, Minister Simailak.

Hon. David Simailak: Thank you, Mr. Speaker. I can say that I have had preliminary discussions with a credit union central, one of the credit union centrals in Canada, who are very interested in coming to Iqaluit to meet with myself and also to meet with a number of concerned citizens who are interested in starting a credit union in Iqaluit, and hopefully from that, continue discussions to look at the rest of Nunavut. Thank you, Mr. Speaker.

Speaker (interpretation): Your first supplementary, Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. I am wondering if the minister could identify what specific steps have been undertaken, to date, to partner with Nunavut Tunngavik Incorporated and other groups? Thank you, Mr. Speaker.

Speaker (interpretation): Minister Simailak.

Hon. David Simailak: Thank you, Mr. Speaker. Nunavut Tunngavik Incorporated, through Atuqtuarvik Corporation, is the lead organization looking at alternate banking in

Nunavut. They are continuing with that work. The preliminary discussions that I talked about with the credit union central are very preliminary, and we'll definitely, when they come, introduce them to NTI and hopefully look forward to some kind of partnership throughout all of that in the future. Thank you, Mr. Speaker.

Speaker (interpretation): Your second supplementary, Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. At one point, I understand that his department was looking closely at this issue through the department's economic development and innovations branch, which I believe is located in Panniqtuuq.

Can he tell us today how far along the department is with respect to completing its analysis and review of this issue? Thank you, Mr. Speaker.

Speaker (interpretation): Minister Simailak.

Hon. David Simailak: That analysis, I believe, is ongoing. Thank you, Mr. Speaker.

Speaker (interpretation): Your final supplementary, Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. I am glad it is ongoing. Does that division have an individual that is dedicated to working on that specific project? Thank you, Mr. Speaker.

Speaker (interpretation): Minister Simailak.

Hon. David Simailak (interpretation): Thank you, Mr. Speaker. I'm not positive if there is one person, but I know it's been worked on in Panniqtuuq. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Oral questions. Member for Akulliq, Mr. Mapsalak.

Question 186 – 2(2): Number of Outpost Camps Opening This Year

Mr. Mapsalak (interpretation): Thank you, Mr. Speaker. My question is directed to the Minister of Justice. I would like to ask him how many new correctional outpost camps the department is considering opening in the next five years, and in which communities. Thank you, Mr. Speaker.

Speaker (interpretation): Minister of Justice, Mr. Okalik.

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. Currently, there was hardly any change, there are still only four, but the fifth outpost camp is being worked on, actually there are more outpost camps. We can provide funding for them and my department can provide training for the operation of the outpost camps. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Mr. Mapsalak, your first supplementary.

Mr. Mapsalak (interpretation): Thank you, Mr. Speaker. Another question to the minister: are there certain criteria for communities applying for funding for outpost camps? For example, are communities closest to the existing institutions more likely to be approved for funding rather non-decentralized communities? Thank you, Mr. Speaker.

Speaker (interpretation): Minister Okalik.

Hon. Paul Okalik (interpretation): Yes, for example today, just in the Baffin region, there are approximately five and the three correctional outpost camps are located in smaller communities where culture is more prominent than in larger communities, that is why it is more beneficial to have the correctional outpost camps in the smaller communities. Thank you, Mr. Speaker.

Speaker (interpretation): Second supplementary, Mr. Mapsalak.

Mr. Mapsalak (interpretation): Thank you, Mr. Speaker. I'm not too clear on his response. The issue I just raised is are they going to establish more outpost camps in communities closer to existing correctional facilities, or is he going to look at the non-decentralized communities? Thank you, Mr. Speaker.

Speaker (interpretation): Minister Okalik.

Hon. Paul Okalik (interpretation): In regards to correctional outpost camps, yes, I would like to see more of them, although we had publicized through the media about two years ago, there were hardly any applicants, though we would like to see more proposals of this kind, and our staff can assist with the proposals, and we are going to remain open to this because it can be beneficial to all Nunavut. Thank you, Mr. Speaker.

Speaker (interpretation): Your final supplementary, Mr. Mapsalak.

Mr. Mapsalak (interpretation): Thank you, Mr. Speaker. Thank you for your clarification. That document is only written in English. Will that be translated to Inuktitut, into Inuinnaqtun? Thank you, Mr. Speaker.

Speaker (interpretation): Minister Okalik.

Hon. Paul Okalik (interpretation): Yes, there are quite a few Inuktitut unilingual speaking operators of outpost camps, since they are not very difficult to operate, and our Inuit staff can assist them, that is why it doesn't matter whether they speak English or not. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Oral questions. Member for High Arctic, Mr. Barnabas.

Question 187 – 2(2): Publishing of Medical Travel Policies

Mr. Barnabas (interpretation): Thank you, Mr. Speaker. I would like to direct my question to the Minister of Health and Social Services.

Last November, the minister indicated to me that she would direct her staff to publicize information about the medical travel policy through the media and the CBC. Can the minister tell this House, yes or no, whether or not that media campaign happened and in which communities? Thank you, Mr. Speaker.

Speaker (interpretation): Minister of Health and Social Services, Minister Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. That information was going to be publicized by the health centres. If they didn't receive a copy, then they are about to. That information that was put together identifies what the contents are and I also gave you a copy. They are very similar.

If they want to, I can ask to go through CBC, but at this time, we have not had time. I can direct my staff who can speak in Inuktitut to do this. This is very good information and it would be good if we give access to it at the same time. Thank you, Mr. Speaker.

Speaker (interpretation): Your first supplementary, Mr. Barnabas.

Mr. Barnabas (interpretation): Thank you, Mr. Speaker. I would like to thank the minister for her response.

Can the minister update this House on what specific efforts her department has made to ensure that the medical travel policy is understood and correctly applied by her departmental staff? Thank you, Mr. Speaker.

Speaker (interpretation): Minister Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. This has been discussed quite a number of times, and it takes a while to understand everything. (interpretation ends) In the past, escorts were frequently provided without sufficient costs. (interpretation) But at this time, we are trying to expedite this, and hopefully, this will be applied and used correctly.

(interpretation ends) Clients traveling outside the territory require an escort for interpretation, or a practitioner has recommended that the client requires someone to provide emotional and physical support during the treatment process, and that person is essential to the outcome of process. (interpretation) That's what we have, and I thought I would pass this information on to you, but if I didn't, I can give you a copy. Thank you, Mr. Speaker.

Speaker (interpretation): Your second supplementary, Mr. Barnabas.

Mr. Barnabas (interpretation): Thank you, Mr. Speaker. My last supplementary: when the medical travel policy was first introduced in April 2000 by Mr. Picco, who was then the minister of health, the minister at the time promised to provide a review of the effectiveness of the policy. Will the current minister commit to providing members of this House with a complete review of the effectiveness of the medical travel policy? Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Minister Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. The health centers, which are called the providers, send patients to go to hospitals outside of their communities. I would like to read this part. (interpretation ends) “The department is in the final stages of a review of the client travel policy, and the issue of escorts accompanying minors has been carefully considered.”

(iInterpretation) So, this will be reviewed further. I will direct the staff at the health centers, through the mayors, and the mayors will inform me. Over here you call them... . We use a different terminology in our dialect, but they're call *anniasiuqtiit* in this region: nurses.

I will make sure that this is looked into because this is serious. Thank you, Mr. Speaker.

Speaker (interpretation): Oral questions. Member for Kugluktuk, Mr. Evyagotailak.

Question 188 – 2(2): Polcies on Burial and Funeral Arrangements

Mr. Evyagotailak: Thank you, Mr. Speaker. I would like to direct my question to the Minister of Health and Social Services.

Mr. Speaker, earlier today I spoke about the need for government policy to assist families and communities in making funeral arrangements for everyone who passes away. Can the minister update this House on what initiatives are being considered to establish an overall policy regarding burials and other funeral arrangements. Thank you, Mr. Speaker.

Speaker (interpretation): Minister of Health and Social Services, Minister Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. There is a policy at Health and Social Services for those people who pass away outside of Nunavut; they are assisted through that department. If they're being looked after by social services, they are the same people who can look after this. Thank you, Mr. Speaker.

Speaker (interpretation): First supplementary, Mr. Evyagotailak.

Mr. Evyagotailak: Thank you, Mr. Speaker. Will the minister commit to speaking with her colleagues in Education and Community and Government Services about issues relating to funeral arrangements in the communities. Thank you, Mr. Speaker.

Speaker (interpretation): Minister Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. Yes, I can do that. Thank you.

Speaker (interpretation): Thank you. Oral questions. Member for Cambridge Bay, Mr. Peterson.

Question 189 – 2(2): Update on the Northern Strategy

Mr. Peterson: Thank you, Mr. Speaker. My question is for the Premier. In September of 2003, the three northern premiers signed a cooperation accord in Cambridge Bay. They agreed to work together for the good of the entire North. It was a very good signing ceremony; I was in attendance. There was a lot of enthusiasm.

We have seen great benefits since then in the health, housing and economic development funds that the three northern premiers have negotiated for us with the federal government. We need to see more of this. My question for the Premier is, can the Premier update us today on the status of the northern strategy. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Mr. Premier. Minister Okalik.

Hon. Paul Okalik: Thank you, Mr. Speaker. We are continuing to work very well with our colleagues in the other territories. We are actually meeting in Yellowknife in April to further our discussions and come up with a joint strategy for the North.

At the same time, we will continue our bilateral discussions with Ottawa on the best way of approaching Nunavut's expectations. We are well aware that we did a joint party exercise for all of Nunavut during our first few months in office. We are working with that plan to prioritize Nunavut issues. Thank you, Mr. Speaker.

Speaker (interpretation): Your first supplementary, Mr. Peterson.

Mr. Peterson: Thank you, Mr. Speaker. That is very encouraging news from the Premier. Can the Premier tell us when the Kitikmeot and Nunavut can expect a visit from the minister of northern affairs to discuss our priorities here in Nunavut? Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Premier.

Hon. Paul Okalik: Thank you, Mr. Speaker. I understand that the Minister of Indian Affairs and the Secretary of State, Ethel Blondin-Andrew, are planning to travel to

Cambridge Bay first, I believe, later on this month. They will then travel here to Iqaluit. I look forward to meeting with them on common areas of interest for federal and Nunavut issues to be combined. Thank you, Mr. Speaker.

Speaker (interpretation): Your second supplementary, Mr. Peterson.

Mr. Peterson: Thank you, Mr. Speaker. That is very encouraging news. I hadn't heard that until the Premier just announced that. I was expecting the Minister of Indian Affairs in Cambridge Bay at the end of June for the Northern Mine Ministers' Conference, so that is very encouraging.

My second supplementary: I am not sure what is the Government of Nunavut's part of the share of the \$120 million that the three territories are getting. I am wondering if he could inform the House if all the MLA's will get a chance to provide input into how our share of the \$120 million is to be spent before the upcoming fiscal planning meeting that was announced in the budget speech for us later this year. Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Premier.

Hon. Paul Okalik: Thank you, Mr. Speaker. That money that is set aside, the \$40 million for Nunavut over the next few years. We will be discussing that through our normal process, where all members get a chance to state their views towards the budget. I will plan to have a group retreat with my colleagues this spring to discuss strategies and the best ways of dealing with it. We will make sure that all the members are involved in the process. Thank you, Mr. Speaker.

Speaker (interpretation): Your last supplementary, Mr. Peterson.

Mr. Peterson: Thank you, Mr. Speaker. It was recently revealed that the Premier jointly signed a letter with the other northern premiers, which he sent to the Prime Minister, concerning ballistic missile defense. I found out about it because the Northwest Territories Premier tabled it in the legislative assembly in the Northwest Territories.

My question is: will the Premier commit to keeping Nunavut's MLAs equally informed by tabling such documents on a regular basis? Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Premier.

Hon. Paul Okalik: Thank you, Mr. Speaker. Yes, I appreciate the member raising the issue, and I will keep the members informed of our progress. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Oral questions. The member for Rankin Inlet North, Mr. Curley.

Question 190 – 2(2): Consider Stabilizing Power Bills

Mr. Curley (interpretation): Thank you, Mr. Speaker. I would like to direct my question to the Minister of Energy. There are quite a number of Nunavutmiut who are not pleased with the 15 percent hike in the energy bills. I think it is nearly a 50 percent hike in Whale Cove.

Also, looking at Grise Fiord, they have very high energy costs. In Whale Cove, they pay approximately 40 percent more than in Rankin Inlet. So, there's a whole variety in the costs.

Could the minister help these communities, or can you give Qulliq Energy Corporation money so they could break even? Why is it that you can't do that for the people of Nunavut so that there's more stability in the costs of energy?

Speaker (interpretation): Thank you. Minister of Energy, Mr. Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. First of all, all of the responses that we have received, whether it be through the CBC, through callbacks, commentaries by the business community, by residents, by most of the MLAs, by contacts through the Qulliq Energy Corporation office, have been very favourable in the announcement that has been made.

Second of all, the information given by the member is incorrect, and I want to point out that for the first 700 kilowatt-hours, and give the actual rate here, with the first 700, and that's why we have the subsidy in place. For example, in the case of Whale Cove, that the member just mentioned, the old rate was \$106.54 up to the 700 kilowatt-hours, and now with the new rate in place, it will be \$128.80.

Because we are subsidizing everyone across Nunavut up to the first 700 kilowatt-hours, every bill from Cambridge Bay to Sanikiluaq, to Grise Fiord, inclusive, is \$128.80, based on that new rate under the 700 kilowatt-hours. Up to 1000 kilowatt-hours with the winter subsidy. Again, because that subsidy is put in place up to 1000 kilowatt-hours, the actual rate is \$184, not the increase that the member has said.

That is why the members across the House, we put the 1000 kilowatt-hour subsidy in so it wouldn't cause hardship, especially in High Arctic communities, because without the 1000 subsidy, the member would be correct that the increases would have been 40, 50, 60 percent. So, we are responding to that by way of a subsidy. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Your first supplementary, Mr. Curley.

Mr. Curley: Thank you, Mr. Speaker. I appreciate the minister's attempt to try and butter up the increased rate. Our increase is 15 percent overall; I am not talking about a subsidy. I am talking about overall, they are increasing 15 percent across the board for power

consumers. Is it a fact that Iqaluit power rates are about 50 percent lower than a place like Whale Cove?

Speaker (interpretation): Minister Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. That's why we subsidize, so for everyone, up to the first 700 kilowatt-hours, I don't make this stuff up, up to the first 700 kilowatt-hours the rate is the same. Up to the first 1000 kilowatt-hours in the highest months, the rate is the same, and the rate, the 15 percent increase across the board, comes out to be 3.18 cents for every residential customer.

In the majority of constituent cases, in our communities, because the majority of our customers and our constituents are in social housing units, that rate has not increased. That's still 6 cents per kilowatt-hour across the board. The commercial rate has increased to 16.9 percent across the board. Thank you, Mr. Speaker.

Speaker (interpretation): Your second supplementary, Mr. Curley.

Mr. Curley: Thank you. I take it as fact that Whale Cove is paying close to 50 percent more than Iqaluit power rates. That's a fact, and the minister must come clean with it. Will he table the breakdown, community by community, of the increased rates effective whenever the power rates came up, if not now.

Speaker (interpretation): Minister Picco.

Hon. Ed Picco: Mr. Speaker, maybe I can explain it this way very concisely. The rate structure that we have in place right now came out of 1998 hearings, and at that time there were three proposals that came forward. One was the postage stamp rate proposal, one was a harmonized rate proposal, and one was the community-based rates.

The Northwest Territories Public Utilities Board elected to go with the community based rates because at that time different communities had different concerns. I know, as a member of the other House, we held public hearings. For example, they wanted to put Coral Harbour, Repulse Bay, and I believe it was Cape Dorset into one zone.

What would have happened is the larger two communities in that zone would have been subsidizing the smaller communities. That was the case across the Northwest Territories, because we were part of the Northwest Territories. So they decided the only fair way of doing it was to go with community based rates.

So, whatever the costs in your community are to have electrical generation, that's the amount you pay. At the same time, based on the Yellowknife rate, the Public Utilities Board in NWT said no one should pay any more for the service, the first seven hundred kilowatt-hours, more than what Yellowknife is paying.

That's why everyone was subsidized down to the 15.52 rate, which was in Yellowknife. What we've done, Mr. Speaker, for the first time in seven years, we've increased the rate, based on what the Utility Rate Review Council recommendations were. That recommendation was a 3 cent increase across the board for residential customers, no increase to social housing customers, which make up the bulk of our constituents, and a 16.9 percent increase to the commercial customer base.

At the same time, the URRC recognized that the revenue requirements of the corporation will not be met and they have ask the QEC to come back with substantiation on the capitalization rider within 90 days, and they will do that.

At the same time, they've allowed the corporation to have the fuel rider. Again, right now, we don't know what that would be because we don't know what the cost of fuel will be, and therefore and thus, it is not in place. I hope that helps answer the member's question.

I can table the residential territorial customer rates based on the 700 kilowatt hours and the 1000 kilowatt hours subsidy as the member has asked for. For the member to start saying that Whale Cove is paying X number of percentages more than Iqaluit, Grise Fjord is paying more than Whale Cove and Gjoa Haven is paying more than Clyde River; it goes across the board. Those rates were put in place in 1998 and that's what we're basing it all on.

So, Mr. Speaker, if the member would like to propose a single rate proposal for all of Nunavut, which was just rejected by all Nunavutmiut and rejected by the URRC, then they could do that. Thank you, Mr. Speaker.

Speaker (interpretation): Your last supplementary, Mr. Curley.

Mr. Curley: Thank you, Mr. Speaker. I appreciate the pontification of the minister who tried to explain exactly what had been decided.

The power rates still are not resolved. There are still anomalies in Nunavut. The only solution that we find aside from improving the subsidy, which is deserved by the people of Nunavut is this, that the power corporation is given and continues to be given in excess of over \$40 million over two years for no condition what so ever, just to break even with their financial mess.

So, my point is this, will the minister ask for a continuing review so that all that funding that QEC is receiving can be put into harmonizing the rates throughout Nunavut. Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. The amount, if approved to date, was a \$14 million transfer to the power corporation.

As the member knows, and I think everyone in the House has recognized and acknowledged, 80 percent of all the revenue generated by the power corporation comes directly from the government. So, if we had increased the rates in 1999, the year 2003, that money would have been paid by the government.

What has occurred is that we did not know what the revenue requirement was. We didn't have the financial statements. That's been pointed out by the Auditor General of Canada. To date, \$14 million has been given to the power corporation; \$11 million of that would have been paid by us anyway. That means the customer base did not pay the \$3 million.

Of the \$22 million that's been asked for, again, 80 percent of that means \$18 million, that's another \$4 million dollars that the customer base has not had to pay for because it was a political decision not to increase the rate and not to put the fuel stabilization rider in place until we determine what the revenue requirement is. That has been done now by the URRC.

They've come forward with their recommendations and we've accepted them. Mr. Speaker, that is the point that we're moving on with. I would agree with the member to follow up on his suggestion, which I think is a good one: to make sure that there is a comprehensive audit done on the corporation.

That will occur again and has occurred last year and the year before last and will occur next year, from the Auditor General of Canada, because the Auditor General by course and by duty, does a comprehensive audit. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Oral questions. Mr. Netser.

Question 191 – 2(2): Pimaksalirivik Service Contract Negotiations

Mr. Netser: Thank you, Mr. Speaker. I would like to follow up on my question I had for the minister of health yesterday. I'm interested in information on the contract with Pimaksalirivik Corporation in Chesterfield. When exactly does the minister expect these negotiations to be concluded. Thank you, Mr. Speaker.

Speaker (interpretation): Minister of Health and Social Services, Ms. Brown.

Hon. Levinia Brown: Thank you, Mr. Speaker. As soon as the negotiations are over, and as soon as I find out, I will let the member know. Thank you, Mr. Speaker.

Speaker (interpretation): First supplementary, Mr. Netser.

Mr. Netser (interpretation): Thank you, Mr. Speaker. Why has it been taking two years to get a contract or negotiate that? What is the problem? Thank you.

Speaker (interpretation): Thank you. Ms. Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. I will look into the member's question and I will take it as notice. Thank you.

Speaker (interpretation): Second supplementary, Mr. Netser.

Mr. Netser (interpretation): Thank you, Mr. Speaker. Yes, I appreciate the minister's response. Can the minister also look into, so we don't have to ask... (interpretation end) Will the minister commit to instructing her officials to conclude these negotiations as soon as possible. Thank you, Mr. Speaker.

Speaker (interpretation): Ms. Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. Yes.

Speaker (interpretation): Thank you. Oral questions. Member for Arviat, Mr. Alagalak.

Question 192 – 2(2): Update on Search and Rescue Locator

Mr. Alagalak (interpretation): Thank you, Mr. Speaker. My question is directed to the Minister of Community and Government Services, Mr. Kilabuk. I asked this question during the session in May and I would like to ask the minister again.

In the springtime there are a lot of people who are out hunting and get lost out on the land and who have to be searched for by the search and rescue. I have been trying to deal with this for about a year. I would like to ask the minister about this because he informed me that he would get back to me about the search and rescue equipment locator. I just want to ask the minister what has been done to date so far on this issue. Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Speaker. When the member asked the question, I informed him that I would get some more information, but it turns out there are two different issues that were being researched about the locator for the search and rescue.

I will let the member know about the question he asked during May's session. What they're trying to do now is they're doing research on that locator to see which one works better for the search and rescue. Thank you, Mr. Speaker.

Speaker (interpretation): First supplementary, Mr. Alagalak.

Mr. Alagalak (interpretation): Thank you, Mr. Speaker. Yes, we have been trying to resolve this for a year. Perhaps if I could ask you, are you talking about the satellite

system? I think the satellite system has been researched already, but I'm talking about the ones that the hunters can carry themselves. Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Speaker. Like I said, there are two different things that we are talking about that have been researched.

The locator that the member is talking about is the satellite system. Apparently it was more durable in the north, but they have to do some modifications. What we are talking about are those locator systems that the person carries on himself.

Speaker (interpretation): Your second supplementary, Mr. Alagalak.

Mr. Alagalak (interpretation): Thank you, Mr. Speaker. Yes, I asked you that question in the May session, but what I said was this locator system has been used by individuals already and they have already done some testing on them. What we found out is that as long as it's turned on, it doesn't matter at what distance the individual is, you could still locate the individual.

What I have done was I asked some search and rescue personnel about that. Perhaps, the minister could work with the individual who has a locator business, because it's not very expensive. Maybe I should encourage the minister to work with that individual who has the company and I could speak to the minister about the name of the individual in between sessions.

Speaker (interpretation): Mr. Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Speaker. Yes, I will speak with the member, and I know that it has taken him a long time to try to have that locator put to use. My staff has already done some research on that locator system and I will let them speak to the member about what their plans are and to talk to the individual with the company. Thank you.

Speaker (interpretation): Your last supplementary, Mr. Alagalak.

Mr. Alagalak (interpretation): Thank you, Mr. Speaker. Yes, that would be great if you could get your officials to work with that individual. We could use that locator system for people that go out on the land. I think we are ready to use that locator. Whenever there's a search and rescue of an individual who is lost, it's very expensive, and I just want to ask the minister that question again. Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Kilabuk.

Hon. Peter Kilabuk (interpretation): Yes. Thank you, Mr. Speaker. The locator that we are talking about has to involve Inuit Qaujimajatuqangit, because Inuit search for people that are lost on the land by using traditional knowledge.

What we want is something in place where we can find people lost on the land. There are a quite a few people who wanted to have that locator system, and it has been received very well. I will get my staff to work with the individual. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Oral questions. Member for Hudson Bay, Mr. Kattuk.

Question 193 – 2(2): Difference of Power Rates in the Communities

Mr. Kattuk: Thank you, Mr. Speaker. I will direct my question to the Minister of Energy. Today, we have been talking about the new subsidy of 700 to 1000 kilowatt-hours, and the government is talking about an increase of 15 percent. For a regular person down the street, like myself, I'm very bad with numbers... For the 700 kilowatt-hours to 1000 kilowatt-hours, is that 15 percent figure in that range? Thank you, Mr. Speaker.

Speaker (interpretation): Minister of Finance, Ms. Aglukkaq.

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. I'm going to try and answer that because that's a subsidy question, not so much related to the rates.

I'll go back to try and explain again how we arrived at the community subsidized rate for Nunavut. As the energy minister mentioned earlier, every community in Nunavut has different community rates. Every single community's power rates are different.

What we did to come up with the subsidy program and the subsidized rate for power is we took every single community and looked at the lowest rate in Nunavut. The lowest rate in Nunavut is Iqaluit. So, we took the Iqaluit rate, we applied the increase and divided that by two to come up with a new subsidized rate of 18 cents.

Before we applied the new subsidy, we operated under a Yellowknife rate at 15 cents. That 15 cents was back in 1997. Today, Yellowknife operates at over 18 cents as well. So the Iqaluit rate was divide by two, to come up with the 18 cents. So, every citizen, every consumer in Nunavut, whether you're in Sanikiluaq, Arctic Bay, Gjoa Haven, Cambridge Bay, Whale Cove, it doesn't matter where you are, for the first 700 kilowatt-hours, everybody pays the same rate: 18 cents.

If you go past the 700 kilowatt-hours, which is the subsidy during the summer months, then you pay your community rate for Sanikiluaq, Arviat, Whale Cove, and whatnot. The majority of our clients, in our statistics, 78 percent, don't go beyond 700 kilowatt-hours in the summer months.

We also put in a 1000 kilowatt-hours to recognize the fact that in Nunavut, we operate under dark conditions the majority of the year. We also have very cold temperatures in the North. So, in the winter, for six months, your subsidy program at 18 cents will then go up to 1000 kilowatt-hours.

That's an increase in the subsidy program, so you pay the 18 cents up to 1000 kilowatt hours in the winter months. If you go past that, then you're going to pay, again, your community rate. Based on our information and analysis on the benefits of increasing the subsidy program from 700 to 1000, there is a savings range of 8 percent to 43 percent in our clientele, by making that one change.

So, the increase of 3 cents for power rates, there is also a big benefit by increasing the subsidy program by 1000 kilowatt-hours, which is very unique, again, to Nunavut. Nowhere else, in any jurisdiction, do you have a subsidy program that factors in environment and conditions. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): First supplementary, Mr. Kattuk.

Mr. Kattuk: Thank you, Mr. Speaker. Is the minister telling me that everybody is not paying more? So, that subsidy from 700 to 1000 kilowatt-hours, nobody is paying more? Or does it apply that this number is good for everybody in Nunavut? Also, how does she come up with 1000 kilowatt-hours. Thank you, Mr. Speaker.

Speaker (interpretation): Ms. Aglukkaq.

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. Every consumer in Nunavut will pay three cents more. We operated under the Northwest Territories subsidy rates until April 1. We came up with a Nunavut rate, which is what I explained, the 18 cents. It's 3 cents more than the old rate, which was 15 cents.

So, everyone in Nunavut, for the first 700 kilowatt-hours or 1000 kilowatt-hours, will pay 3 cents more. How we came up with the 1000 kilowatt-hours: during the Utility Rates Review Council's public consultations the business sector, the private homeowners, and every Nunavutmiut, including members, had an opportunity to appear before the URRC to talk about their concerns on the Qulliq Energy Corporation proposal: "in the winter months and in the dark days we should have a different subsidy program."

So, what we did was we agreed to putting it up to 1000 kilowatt-hours to factor in the conditions that we live in, in Nunavut. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Oral questions. I still have three names on my list. Member for Iqaluit Centre, Mr. Tootoo.

Question 194 – 2(2): Nunavut Arctic College Report Clarification

Mr. Tootoo: Thank you, Mr. Speaker. My question is for the minister responsible for Nunavut Arctic College. I am a little confused from his comments the other day that he made in the Committee of the Whole, and I will quote him from Hansard here.

It says: “When I first became the Minister of Education, I met with the board of governors at the college and directed the college to do an external review of the college on its programs and services and financial aspects.” And then he goes on to say, “...it was an internal report to me as the minister.” He gave a copy of the report to the president of the college.

Then, if you look at the report that he tabled yesterday, it’s prepared for the Minister of Education. I am little confused. And then it goes on: when he was asked to table that report, he said that he would have to consult with the chair of the board governors to see if they minded if he tabled it. That would indicate to me, “is it their report or is it his report?” It seems like it’s conflicting information, so maybe if I just ask the minister if he could clarify exactly whose report is it. Thank you, Mr. Speaker.

Speaker (interpretation): Minister responsible for the Nunavut Arctic College, Mr. Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. The short answer would be that it’s our report. I was appointed the Minister of Education in March, as the members are aware. Shortly after that, I actually met with the board of governors.

When you become a minister, you want to be able to outline some of your priorities, for example, in education. I talked to the staff about changing the school funding formula with the college. I said, “Look, there may be some issues here, it has been five years, since 1999 to 2004; this is an opportunity to do a review of the college because of some of the concerns that I have heard during the election campaign.”

The board of governors agreed with that, and I would suggest to you that we retained the work of a consultant who was actually doing some work already for the college, for the board of governors.

I would say that the report is our report. It was never to be a public report; it was an external review, and several people were on the review committee that were outside of the college but within the Department of Education and the government. So, I hope that helps clarify the member’s question. Thank you, Mr. Speaker.

Speaker (interpretation): Your first supplementary, Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. I wonder if the minister said the individual that they retained to do the work... How was that advertised: was it an RFP; was it an expression of interest; was it a tender that was put out; or was it a sole-sourced contract? How and who put that out? Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. Thank you, Mr. Speaker. I appreciate the member following up on the executive summary and the external review of the college. The member, yesterday in the House, pointed out very strongly, many times, that we shouldn't be afraid of issues that are occurring in government; that we should address them; we should move forward.

Mr. Speaker, on the 75 recommendations in the executive summary to be endorsed by the college, by the minister, by the government, I think in this case the consultant in the question, I believe it was a year ago, was already working for the college, already under a contract. We went to him and said, "Are you able to do some extra work because you are already doing a review on some other issues?" That is what occurred; it was an extension to the contract of the contractor. That is how it occurred. Thank you, Mr. Speaker.

Speaker (interpretation): Your second supplementary, Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. I just want to ask the minister if there was a terms of reference for that extension, for that contract that was done up? Thank you, Mr. Speaker.

Speaker (interpretation): Minister Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. There were a list of issues that were developed through the Department of Education and in consultation with the board of governors that we wanted the consultant to review. The consultant did that, and there were over 37 external constituents related to the college that were interviewed, including alumni, faculty, and instructors and so on. So, Mr. Speaker, the answer is, yes. Thank you.

Speaker (interpretation): Your last supplementary, Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. I know that the ministers have, over the years, commissioned many reports, and the minister indicated that usually they don't make these kinds of reports public. When it seems to be a good news story, no problem making it public and tabling it and providing that information out there; the language of instruction report is a good example. I am sure if we go through the list of tabled documents we'll see all kinds of reports that the ministers and departments commissioned to get done.

My question for the minister then: if they had this individual working for them already and the minister, in some of his comments, there was a terms of reference done up... . Is he confident that the review was done in an objective manner and reflects the objectivity of looking at and dealing with those terms of reference? Thank you, Mr. Speaker.

Speaker (interpretation): Minister Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. This report was one of the better reports, external reviews, I think, that has been done on any Crown agency that I am aware of in the Government of Nunavut since 1999.

We set up, under the review steering committee... . So, we had the consultant who continually fed back to a steering committee, and the steering committee consisted of the Deputy Minister of Education, the Secretary of the Crown Agency Council, the director of internal audits for the Department of Finance. It also consisted of the chief executive officer of NTI and Mr. Brian McLeod, who was on the board of governors for the college.

As the consultant worked through the taskforce recommendations that were given to him, in advance, of what we wanted to be reviewed. Those were updated and reviewed on a constant basis. The report came back to the review committee. Other questions were asked, and finally the final report was completed and brought to the minister.

Mr. Speaker, this week the senior directors of the college are meeting in Rankin Inlet to go through the 75 recommendations that are there. About three weeks ago the college board of governors accepted the report and passed it in the... . I just answered the question; keep listening. Thank you, Mr. Tootoo; I'm glad Mr. Tootoo is in agreement with the answer that's been given. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Oral questions. The Member for Quttiktuq, Mr. Barnabas.

Question 195 – 2(2): RFP Award

Mr. Barnabas (interpretation): Thank you, Mr. Speaker. My question is directed to the Minister of the Nunavut Housing Corporation. In September 2002, the Nunavut Housing Corporation issued a request for proposal for a feasibility study to assess the viability of relocating residential housing units from Nanisivik to Arctic Bay. Can the minister tell the House when the RFP was awarded. Thank you, Mr. Speaker.

Speaker (interpretation): Minister Responsible for the Nunavut Housing Corporation, Mr. Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Speaker. I would like to apologize to my colleague that at this time, I don't have the answers in front of me, but I can assure him that I will take this question as notice and will respond to him further. Thank you, Mr. Speaker.

Speaker (interpretation): The minister has taken the question as notice. Back to orders of the day. Item 7, Written Questions. Mr. Peterson.

Item 7: Written Questions

Written Question 026 – 2(2): Status of Decentralization

Mr. Peterson: Thank you, Mr. Speaker. My written question is for the Minister of Human Resources. It is concerning the status of decentralization.

The question is, since the data is in a comparable format to that which is provided in return to written question 9-2(1), what is the status of the Government of Nunavut's decentralization initiative as of March 1, 2005? Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Written questions. Item 8. Item 9. Item 10. Item 11. Item 12. Item 13. Item 14, Tabling of documents. Mr. Akasuk.

Item 14: Tabling of Documents**Tabled Document 089 – 2(2): Workers' Compensation Board Annual Report 2003**

Hon. Olayuk Akasuk: Thank you, Mr. Speaker. I wish to table the following document, the *Worker's Compensation Board's Annual Report, 2003*. Thank you, Mr. Speaker.

Speaker (interpretation): Please forward the documents to our clerk. Tabling of documents. Minister Okalik.

Tabled Document 090 – 2(2): Law Foundation Annual Report 2002**Tabled Document 091 – 2(2): Victim Assistance Fund Report 2003-2004**

Hon. Paul Okalik: Thank you, Mr. Speaker. I wish to table the following document, *Law Foundation Annual Report for 2002*.

Further, I wish to table the following report, *Victim Assistance Fund report from 2003/2004*. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Tabling of documents.

Tabled Document 092 – 2(2): Pension Administration Report for Fiscal Year Ending March 31, 2004

I will table a document. Pursuant to section 21(1) (d) of the Legislative Assembly Retiring Allowances Act and section 2(b) of the Supplementary Retiring Allowances Act, I wish to table today the Pension Administrative Report as prepared by the actuaries of the plans, Hewitt Associates for the fiscal year ending March 31, 2004.

Tabling of Documents. Item 15. Item 16. Item 17. Item 18. Item 19. Item 20, Consideration in Committee of the Whole on Bills and Other Matters. Tabled Document 52-2(2), Return to Oral Question 84-2(2) and Bill 8 Appropriation Operations and Maintenance Act 2005/06.

With Mr. Arreak in the chair.

Sergeant-at-arms.

>>*House recessed at 15:23 and resumed at 15:58*

Item 20: Consideration in Committee of the Whole of Bills and Other Matters

Chairman (interpretation): We can resume our meeting. (interpretation ends) In the Committee of the Whole, we have the following items to deal with: Tabled Document 52-2(2); and Bill 8.

What is the wish of the Committee? Mr. Curley.

Mr. Curley: Mr. Chairman, (interpretation ends) I have a motion and I would like to read it at this time to invite Shell Canada representatives.

Chairman (interpretation): Thank you, Mr. Curley. Go ahead.

Committee Motion 002 – 2(2): Invitation to Shell Canada Officials to Appear Before the Committee of the Whole

Mr. Curley: Thank you, Mr. Chairman. I move that the officials from Shell Canada be invited to accompany the Minister of Community and Government Services to appear before the Committee of the Whole at the Witness Table to respond to questions concerning the quality of gasoline in Nunavut. Thank you.

Chairman: Thank you, Mr. Curley. There is a motion on the Floor. All members should have a copy of the motion in front of you. The motion is in order. Mr. Curley.

Mr. Curley (interpretation): What's happening?

Chairman: To the motion, you have 20-minutes to speak to the motion.

Mr. Curley: Thank you, Mr. Chairman. Before we get into the questions, I would like to make some opening remarks, just to lay the issue before the committee. I certainly appreciate the member that will appear before us.

I think that it would be useful for the benefit of the visiting witnesses. Mr. Chairman, I would like to defer my comments, once they sit down here because they then will be able to take notes on my questions. So, I would just like to have the motion be voted on right now so that we can get on.

Chairman: Thank you, Mr. Curley. Question has been called. All in favor.

Some members: Agreed

Chairman: Opposed. Abstentions. The motion is carried. Minister Kilabuk, please proceed to the witness table with your witnesses.

Thank you.

Mr. Minister, please identify your witness.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. With me today are, to my immediate left, Tom Rich, my Deputy Minister, and to my immediate right, Mark Anderson, who is the national wholesale manager for Shell Canada. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Minister. Do you any opening comments.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Yes, I do. Further to my introduction of witnesses, we also have joining us, as required for technical issues, Mr. Tim Mitchell from Staffing Engineer Fuel of Shell Canada. And also, Susan Muckpah, our Director of PPD.

(interpretation) I am very pleased to make an appearance in the Committee of the Whole. I'm sure that Members are well aware of complaints and concerns in Nunavut. We have had help from Shell Canada and the gasoline that is supplied to Nunavut by Shell Canada has been tested at all stages of supply and delivery and after complaints have been received.

To date, we can say it complies with all Government of Nunavut and Canada General Standards Board specifications. Mr. Chairman, to better understand the concerns, the gasoline has undergone further extensive testing in Rankin Inlet in extreme winter conditions, and in addition, tests were conducted at the Alberta Research Council in Edmonton in a special cold box laboratory.

The cause of spark plug foulup has not yet been identified. However, it was found that an additive tested in the gas improves the performance of the fuel in two-stroke snowmobile engines in very cold weather. Shell Canada and the Petroleum Product Division will safely blend this additive in the existing gas re-supplies in affected communities.

In Baffin, they were supplied by Montreal, and I am very pleased that I will be here with the Shell Canada representatives. The questions will be answered by these same representatives. We will be making plans on how we can improve the quality.

I will leave it at that for now. I would like to give Members every opportunity to voice their concerns and questions. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Minister Kilabuk. I will give the members 10 minutes each to make their comments. Mr. Curley.

Mr. Curley (interpretation): Thank you, Mr. Chairman. I am very pleased that the minister and the deputy minister are here, as well as representatives of Shell Canada. I am sure that they would like to know what is happening here in Nunavut and the consumers.

The consumers out there have to find out exactly what we are receiving. I will be reading in English. (interpretation ends) Before we get into questions today, I already made my welcoming remarks to the witnesses appearing before the committee with the minister.

I think it would be useful for the benefit of visiting witnesses to summarize from my point of view, some of the concerns and other concerns as Nunavut Members of the Legislative Assembly, to give an indication of what answers we are looking for.

The facts that we are aware of, in summary, are as follows. Numerous residents in Nunavut, in the Baffin and Kivallirmiut also are experiencing concerns with their engines. These problems are not just limited to spark plugs fouling. We want to be very clear with that. If that were the only problem, we wouldn't invite you to appear before this committee. It also affects other aspects of engine performance, including outboard motors, ATV's, trucks and snowmobiles, mainly because they are more numerous in terms of daily use in Nunavut.

Residents in the Kitikmeot do not appear to be experiencing the same problems that we are facing in the Kivalliq and Baffin. We want to know what is different in their gasoline supply. We know that there were additives that were tested, which may or may have not been included in the current supply of gasoline. We know that such additives as Methylcyclopentadienyl Manganese Tricarbonyl, or MMT, may be at issue here.

We want to know what additives should be present in the supply, in order to allow our small engines, such as those in snowmobiles and boats, particularly outboard motors, to cope with the harsh winter climate.

We know that two different companies, to be exact, Shell Canada and Esso, supply Nunavut's gas. We want to know what the differences are between the two supplies. I may have been wrong there, it could be Imperial, as far as the west is concerned. We want to know what should be changed to Nunavut's gasoline specs to deal with these issues.

Mr. Chairman, we want to know what the Government of Nunavut will do to compensate and to hear directly from the consumers. Hunters, owners of vehicles and snowmobiles, through no fault of their own, suffered damage to their property and have incurred personal expenses for one of the other facts, and there are no other alternatives to buy gasoline from their community.

So, to conclude again, this gasoline supply is not good for the people of Nunavut, particularly to my constituents. There is something wrong with this gasoline. You forget about the spark plugs, there are problems that we know that exist and it's time that the

minister and his officials consult with the consumers as well. It is important before you re-issue the tender for supply that there be a consultation. That means, the people that had damaged engines and what not. I have with me at least 26 complains related to gas.

These are constituents' issues with respect to ATV's, trucks, much more damaging than the spark plugs. There have been pistons that have been broken, crank cases that have been broken. The evidence is the same. There's a very dark residue inside of the engines that it's blocking.

I just spoke to one of my constituents this morning that, not only is there black residue in spark plugs, but it's also clogging the exhaust system. I spoke to one of my constituents this morning as well. He now realizes that this blockage of the exhaust systems may have been the cause of the outboard motors as well. He now is beginning to think that that might have been the case because particularly the newer models without the carburetion systems, the fuel systems that are now been applied to the injection systems, are subject to very fine particles that the eye could not see, but they are accumulating during this summer with a new supply that we had in September, and it was blocking something in there, a residue that was not in there last year.

So I hope Shell Canada can respond to these points and I know that my colleagues here will have detailed questions for you as well so that we can get to the bottom of the problem and address it because all Nunavutmiut deserve the quality of gasoline for a number of reasons. They are the purchasers of gasoline supply, we are dependent on them to break even, to make sure the gasoline is paid for in our communities. So, again, I welcome you and your officials and Shell Canada representatives before the committee. Thank you.

Chairman (interpretation): Thank you, Mr. Curley. Minister Kilabuk.

Hon. Peter Kilabuk (interpretation): In my opening comments, I had invited, if it's okay with you, Mr. Chairman, and before we respond to the concerns that were voiced, I would like to give the Shell Canada representatives an opportunity to make opening comments and I apologize. Thank you.

Chairman (interpretation): Thank you, Minister. I apologize for forgetting about that. Mr. Anderson, if you have any opening comments.

Mr. Anderson: Thank you, Honourable Member Kilabuk, Mr. Chairman, Members of the Legislature, on behalf of myself and my colleagues at Shell, I would just like to take this opportunity to thank the Government of Nunavut for this opportunity to attend and discuss issues and concerns related to the 2004 fuel supply and quality of fuel issue.

Shell is proud of the relationships that we have in the North, and in particular, a very strong working relationship we have established with the Government of Nunavut through the Petroleum Products Division.

Since October of 2004, Shell, together with the Petroleum Products Division, has been investigating concerns about spark plug stalling in some two-cycle engines under extremely cold weather conditions.

The application of gasoline in Nunavut is quite unique. We very much appreciate the need for reliable products for business and for recreational use in this unique environment.

That's why we continue to put a great deal of effort into better understanding why superior quality gasoline that has met all of the Government of Nunavut specifications and Canadian General Standards Board specs, the Government of Nunavut's specs which, by the way, are more stringent, seem to be causing spark plug fouling in some two-cycle snow machine engines.

Today, we would like to attempt to answer questions that you may have regarding the current product specifications, all findings from our investigations, the elimination of MMT in gasoline on a national basis and how different refineries meet specifications by different means.

Again, what action we are taking today and what action we will continue to take moving forward, in addition, we hope to clear up some of the misconceptions or inaccurate information about current fuel supply and the efforts to investigate this, in conjunction with the Petroleum Product Division.

I may add, in my opinion and experience in dealing with a great many customers nationally, and internationally over the course of some 20 years, I believe the Petroleum Product Division has done a tremendous job in contracting for this business and it responds to the investigation to the concerns raised by their customers. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Anderson. Are there any general comments, Members of the Legislative Assembly.

If there are no general comments, are there any questions. Mr. Curley.

Mr. Curley: Thank you, Mr. Chairman. I want to ask Mr. Anderson, what is different about this gasoline supply from last year, to be exact.

I know that you're proud of your relationship with Nunavut, but as a result of this last four years, two, three years experience with the gasoline supply, Nunavutmiut are not proud of Shell. So, I hope you will take this fact back to your management, and let them know that there are many Nunavutmiut, particularly in places like Rankin Inlet, who have been very patient with the officials in Canada.

I would like to make a point. I hope that you don't, that the small that you provided to Rankin Inlet was not linked to try and butter up this relationship any further, because it

maybe an honest coincidence and if it is, I'll accept that. It coincidentally announced that just when we were having a very serious problem with the gasoline supply. I will not even entertain the fact that, because the climate may have been colder this year, that's not the case. That's not the case at all.

We have had good gasoline during the very cold times and so on. So, the question again to you is, why is it different from last year's supply this year. Could you respond to that specifically. Thank you.

Chairman: Thank you, Mr. Curley. Mr. Anderson.

Mr. Anderson: Thank you, Mr. Chairman. The gasoline supplied in 2004 was Shell's second year of supply to the Government of Nunavut. The gasoline supplied in the 2004 re-supply met the same stringent specifications as it did in the previous year.

The difference being in the 2004 case, MMT was not part of the gasoline formulation, nor is it a specification in the gasoline formulation, nor is it required to meet the specification in the case of the CGSB, or the more stringent Government of Nunavut specifications. So, specifically that is the difference between the 2003 and the 2004 re-supply.

Chairman: Thank you, Mr. Anderson. Mr. Curley.

Mr. Curley (interpretation): So, what you're telling me is that MMT was not included in the current 2004/05 re-supply, but it was included in the 2003/04. Is that the fact.

Chairman: Thank you, Mr. Curley. Mr. Anderson.

Mr. Anderson: Thank you, Mr. Chairman. Yes, in the most recent re-supply, Shell Canada and the Canadian refining industry in general, removed MMT from all gasoline on a national basis during the period of 2004.

Chairman: Thank you. Mr. Curley.

Mr. Curley: Thank you. That industry voluntarily restricting or not putting in that particular additive into the supply. You're not instructed by the Federal Government or any legislation because I believe it is legal to include that as replacement product for lead that has been disallowed over the years.

So, my question to you is this, if MMT was not included in this year's supply, what was put in that supply because this particular product is required to reduce the knocking and reduce the engine developing possibly to reduce heat that would accumulate in an engine so that it was not included, what was put in place because you do require, lead or that to reduce knocking that is required by the national standards. Thank you.

Chairman: Thank you, Mr. Curley. Mr. Anderson.

Mr. Anderson: Thank you, Mr. Chairman. MMT, like lead, was used as a very cost effective source of octane. Octane can be achieved in various many other ways. In the removal of MMT in fact, the cost of reformulation to achieve octane costs Shell Canada between \$6 and \$7 million of additional costs in the removal of it to achieve octane levels.

Through the testing of products through this investigation, or the ongoing testing, octane is certainly one of the parameters that is key and is often tested. As I mentioned, the product meets all of the stringent specifications and is a 92 octane material. MMT only provides or has only provided that cost effective source of octane which we have replaced.

Chairman: Thank you, Mr. Anderson. Mr. Curley.

Mr. Curley: Thank you. You're not answering my question. If MMT was not included, what was then put in place to replace it. The only other one that I'm understanding is this product that is not, I forgot the name of it but there are a lot of products from agriculture. So, if it wasn't included, what was included in this year's supply because in order achieve octane level required, you either have that. Are experimenting with this gasoline in Nunavut?

Chairman: Thank you, Mr. Curley. Mr. Anderson.

Mr. Anderson: Thank you, Mr. Chairman. Refineries, depending on the configuration and the units that they have to work with, have many different sources of octane. In some cases you can include Alkalid a as a source of octane, reformate as a source of octane.

I myself am not a chemist, I'm not refiner but to suggest that lead was taken out and MMT was replaced to add octane and then with the removal of MMT, there would have to be another chemical additive it is simply not the case in the refining process. Refineries can change various streams within their refinery that are octane rich and depending on the configuration of a refinery, octane may come from many sources.

In the case of our Montreal Refinery, it is alkalid, in the case of our Scotford Refinery, heavy refremate.

Chairman: Thank you, Mr. Anderson. Mr. Minister, can you introduce witness.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. On my left, an individual who just joined us is Mr. Kim Mitchell, and he could be asked questions from the members as well. Thank you.

Chairman: Thank you, Mr. Minister. Mr. Curley.

Mr. Curley (interpretation): I just want to be quite clear. Is it because MMT is certainly not illegal to sell in Canada to be included in its current supply as an octane booster in the gasoline supply. I believe MMT was included in last year's supply. If so, there were no complaints with the system. I don't really believe that Nunavut peoples what kind of additives or octane booster levels you put in as long as it works in Nunavut. But what you have put in or may have not included in this year's supply is a problem.

You have been paid for the supply that you have got so you nothing to worry about as far as I'm concerned, but the consumers are really quite disturbed.

Why were the government and Shell Canada continue to defend something that may be not be defensible in this part of the world because we have not option.

If the octane supply component is missing then it is this particular product that is creating a gasoline and damaging engines in Nunavut. Are you prepared to accept that fact?

Thank you.

Chairman: Thank you, Mr. Curley. Mr. Anderson.

Mr. Anderson: Thank you, Mr. Chairman. If the product that has met these high standards did test up to specification in terms of octane, that would be readily apparent, and that has not been the case. The product tested on a repeated basis has met all the specifications.

What is very important to recognize is that a very unique set of circumstances in terms of cold weather, environment, load, two cycle engines, that is very unique to this environment, in fact, snowmobile manufacturers do not use MMT in testing their snow machine engines. They don't test at -45. They don't test under load.

This is the same base formulation of gasoline that is used anywhere else in Western Canada with the particular exception that this superior in terms of octane to anything used by any consumer in the southern regions.

I myself use an 89 octane in my snowmobile and use it Winnipeg in -35 without MMT. I don't have a problem. This is a particular issue under very unusual circumstances. We are mixing 20 thousand parts per million of lube oil into a very stringent specification of gasoline.

The number of variables that that employs afterwards in terms of the different types of lubricants, the different additive packages with in lubricants, the different variables in terms of temperature and load, as we look for the long term solution, those are all considerations that we need to rule out or we need to consider in trying to find out what is the solution for gasoline in Nunavut. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Anderson. Mr. Curley.

Mr. Curley (interpretation): Thank you, Mr. Chairman. I'm going to give the others a chance with their questions but I have one more question that I would like to ask.

Shell Canada may have met all the specification requirements of the tender of the Government of Nunavut, Petroleum Product Division's specifications when they put out the tender but I also believe that if it's ESSO or Imperial in the Eastern Arctic they also have met the specifications but their gasoline is good quality. It works.

Shell Canada's supply this year to Nunavut Eastern Arctic communities and two years ago did not. Whether you met the standards, it was lousy, terrible. If I was the Minister, I would even enter into contract with you guys. So you may have met all the standards or qualifications, so would you if you included the additive that was included last year.

If last year's MMT was the main octane booster, it worked. If it didn't, you didn't explain it. Are you experimenting with something in the gasoline supply this year and end up putting in MMT in afterwards. I believe that's what you put in Rankin Inlet with the number of drums that you shipped in. Was that MMT?

Chairman: Thank you, Mr. Curley. Minister Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. I want to be understood and I want to be very clear that I have not allowed any member to misguide the listening audience of what he presumes that I would do with the problems that we are seeing. I want to make that very clear because I am taking this concern very seriously and I want all of the members to know that we continue to work on this so that we don't see it again in the future.

So, I hope that my colleague in his reference to how I should be taken to this contract is not something that I would repeat or say in the House at this appearance today. Thank you.

Chairman (interpretation): Thank you, Minister. Mr. Curley.

Mr. Curley: Yes, Mr. Chairman, I am not at all suggesting whether or not he should or should not deal with Shell, but I am only giving an example. If I was in the Cabinet position, I would have a very difficult time and I am not, you can be assured, that I am not in the Cabinet, so I have no influence with whether or not the contract would be influenced or not.

So that's beside the point. The point is in Rankin Inlet MMT was not included this year's supply. It might have been included in last year's supply. I still have not heard whether or not that is the case, whether or not a new type of octane level booster was included, it still met the standards or not, if they have met all of the standards on national or Nunavut specifications, but still three years ago they made have met the specifications, but the gasoline supply was not good for Baffin or Kivalliq.

So I am asking again for the last time: what was added in the octane booster to increase octane levels in Rankin Inlet this month or last month?

Chairman (interpretation): Thank you, Mr. Curley. Mr. Anderson, or Mr. Mitchell or Mr. Minister. Mr. Minister.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. Mr. Mitchell will respond to that question. Thank you.

Chairman (interpretation): Thank you, Mr. Minister. Mr. Mitchell.

Mr. Mitchell: Just some explanation might be required to understand octane is one of the major parameters in gasoline and there are many ways to get to a given octane level.

Just to clear things up, lead was banned from automotive gasoline in 1990 in Canada. If you added lead to gasoline, it could give you as many as ten octane numbers, okay, and earlier we heard that the supply to Nunavut, the specification is 92 octane.

MMT on the other hand, it provides an octane boost of about one number, so it's usually used as a trimming agent. The advantage of it is that you can add very small amounts of this additive to get that one octane number, and MMT has been in general use in unleaded gasoline in Canada since about 1997, and as Mark Anderson explained, it was voluntarily removed by all Canadian refiners pretty well in 2004. That was as a precautionary movement, but the big thing is the MMT only provided about one octane number. It's not the major component. The octane comes from the hydrocarbon and the gasoline, with all of the different components in the refinery that Mark also talked about earlier.

So MMT, what we have discovered in this particular incident is that this additive, which is normally used as an octane enhancer does provide some benefit in terms of spark plug fouling under cold conditions. That is why we are putting it in the gasoline because it provides a benefit.

Chairman: Thank you, Mr. Mitchell. Mr. Curley.

Mr. Curley: I am seeking one answer. I want to give the others a chance. What was put in as additional or among many other octane boosters with the current gasoline supply last month in Rankin Inlet?

Chairman: Thank you, Mr. Curley. Mr. Mitchell.

Mr. Mitchell: What we did in Rankin Inlet is we have added a small amount of MMT, approximately 14 ppm of manganese has been added to the gasoline in Rankin Inlet. That's what we have added and the reason we have added that is because we did some tests in Edmonton in a cold box, we did two field trials in Rankin Inlet with snow machines, which showed that if adding 14 ppm of manganese as MMT, basically solved

the spark plug problem issue. So we decided to do the tank in Rankin Inlet, and were now in the process of treating the tanks. In Baker Lake was done yesterday and Repulse Bay is being done today.

And again this is not an octane issue, it just happens to be a beneficial side effect of the additive, and that it prevents spark plugs fouling under very severe conditions.

Mr. Chairman: Thank you Mr. Mitchell, Mr. Netser.

Mr. Netser: Thank you Mr. Chairman. Thank you. Just put a couple of questions here, I ask the minister for the tank to be tested in Coral Harbour. Tank number three of our gasoline tank, he did so and he told me that it was being tested. And I have the results with me.

The report says, I will read it out, "Sample meets all Canadian Government of Nunavut specifications all except one item, the vapor pressure meets that Canadian standards but slightly below the Government of Nunavut's specification."

The vapor pressure relates to the ease of starting engine and looking at the report from the Alberta Research Council, what it says here is the vapor pressure does not meet the Government of Nunavut's specified value, and the letter I just read the vapor pressure relies to ease of starting engines.

Now we've had a lot of spark plug problem, not to mention engines breaking. Anybody that has any experience in tearing engines apart that are broken, we know what ever goes into the spark plug goes into the engine chambers, the crank case, the cylinders, etc.

Now my question is why this was put in there when it does not meet the Government of Nunavut's specified value. Thank you Mr. Chairman.

Mr. Chairman: Thank you Mr. Netser. Minister.

Hon. Peter Kilabuk (interpretation): Thank you Mr. Chairman. In Coral Harbour the gasoline was distributed from the same distributor. Thank you Mr. Chairman.

Mr. Chairman: Thank you Mr. Minister. Mr. Nester.

Mr. Netser (interpretation): Thank you Mr. Chairman. I've been hearing all winter and I recently purchased a ski-doo in the month of December and when they're brand new they run very well, and the ski-doo I just bought, I had to buy spark plugs very frequently and for two spark plugs it costs \$28, and it states here that it's below the specs and I said it states 92, but it's states here that it's 87.4 so I want clarification on why it's like that. Thank you Mr. Chairman

Mr. Chairman: Thank you, Mr. Netser. Mr. Mitchell.

Mr. Mitchell: Thank you Mr. Chairman, I think the first issue you mentioned was the vapor pressure is slightly low, I think it's 94. something versus the limit of 95 to the Government of Nunavut specification, but it's still in side of the CGSB specification.

From what I understand, on the supply of Coral Harbour, there were some difficulties, and what happens when you tend to move gasoline around, you lose vapor pressure slightly, each time it's moved. In Coral Harbour, I think the supply was difficult because there was ice.

So what happened was there was a bit more decanting or moving around the gasoline which accounts to the fact the vapor pressure was slightly below the limit by the time it got there, so that's one part.

The second part would be that this actual difference is not really that significant. Basically the Government of Nunavut's specification was set at 95, which is higher than the CGSB limit because, they knew that this kind of thing would happen on the way for that one.

I think you mentioned octane quality. There are three octane numbers on that spec page. One of them is research octane number, one is motor octane number and one is called anti-knock index. The anti-knock index is 92. The motor octane number is generally about 87 and the research number should be about 96.

I think that was the question's answer. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Mitchell. Mr. Netser.

Mr. Netser: Thank you, Mr. Chairman. The guy seems to be putting questions in my mouth. The question that I asked is the octane level that you specified that it was, but in Coral Harbour it is 87.4. I didn't ask about the anti-knock index and the other one that you just mentioned. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Netser. Mr. Mitchell.

Mr. Mitchell: Thank you, Mr. Chairman. If you look more closely at the spec page, it actually says that the motor octane number is 87.

Chairman (interpretation): Thank you, Mr. Mitchell. Can you please wait for your mic to turn on so we can get everything? Mr. Netser.

Mr. Netser (interpretation): Thank you, Mr. Chairman. I will ask Minister Simailak, this octane number motor 87.4 and you stated 94. I would like some clarification on why was there ice build up that was delivered to Coral Harbour in the gasoline?

Chairman (interpretation): Thank you, Mr. Netser. Mr. Minister.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. The page numbers are that there are two pages. The octane numbers on the investigation page 2 of 297.1, which was indicated. The other one being page 1 of 2, octane number motor 87.4. So those are different. Thank you.

Chairman (interpretation): Thank you, Mr. Minister. Mr. Netser.

Mr. Netser: Thank you, Mr. Chairman. What should this octane number motor be? You mentioned earlier that it should be 92 but my friend here, Mr. Simailak and I are reading 87.4. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you. Mr. Minister.

Hon. Peter Kilabuk (interpretation): I just wanted to point that out. The anti-knock index 92; these two are different. The octane should be 97.1, the anti-knock index 92.2. The lowest in Canada should be 91, so it is slightly over than the lowest one. Thank you.

Chairman Thank you, Mr. Minister. Mr. Mitchell, did you want to add to that?

Mr. Mitchell: Thank you, Mr. Chairman. Basically, the first line on the page is anti-knock index, that is the average of the research motor octave number. That is what the specification is on. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you. Mr. Netser.

Mr. Netser: Thank you, Mr. Chairman. It is really hard to get into your level of all these numbers. My question as I asked earlier is, why did you deliver gasoline that has ice in it, as you indicated earlier? Thank you, Mr. Chairman.

Chairman (interpretation): Thank you. Mr. Minister.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. I didn't hear him say that. Maybe, if my colleague could clarify his question.

Chairman: Mr. Netser.

Mr. Netser (interpretation): Thank you, Mr. Chairman. He stated earlier that the vapor pressure, (interpretation ends) that does not meet the minimum of Government of Nunavut's specified value.

He said that was done because of ice. My question is why deliver ice in the gas tank to Coral Harbour. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Netser. Minister Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. I guess the misunderstanding came when Mr. Mitchell made a reference to the ice conditions that were around Coral Harbour at the time of delivery.

That was the only reference to any ice. It was not in the gasoline. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Netser.

Mr. Netser: Thank you, Mr. Chairman. So, what you're indicating is that you have to hopefully deliver the fuel before the ice freeze up, so that we don't have to worry about the vapor pressure that is in our tanks. Is that correct, Mr. Chairman. Thank you.

Chairman: Thank you, Mr. Netser. Mr. Mitchell.

Mr. Mitchell: We don't actually supply, Mr. Chairman. The actual shipping arrangements are not Shell Canada's shipping arrangements, they are done by Woodwards.

What I understand is that the ship that was supposed to go to Coral Harbour had trouble getting there because there was more ice than expected, so we had to change the delivery schedule so that the gasoline that ended up in Coral Harbour went through a couple more steps to get there than was expected.

So, each time the gasoline is pumped off of a vessel into a tank, the vapor pressure drops slightly. So, from what I understand is, the Coral Harbour supply went through another step, that is why the vapor pressure is slightly lower than the limit.

The limit that was defined by the Petroleum Product Division and Government of Nunavut, it's a limit that was set to make sure the gasoline would be more than fine. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Mitchell. Mr. Netser.

Mr. Netser: Thank you, Mr. Chairman. Could the minister give us the information on the vapor pressure standards for the Government of Nunavut because, it says that the Government of Nunavut vapor pressure specification was deliberately set very high. How high was it? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Netser. Mr. Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. The minimum requirement was set at 95. Thank you.

Chairman: Thank you, Mr. Netser.

Mr. Netser: Thank you. Just going back to the question there. Mr. Chairman, that's why we have so many with spark plugs failing because the vapor pressure does not meet the Government of Nunavut pressure specifications. Thank you, Mr. Chairman.
(interpretation) That will be my last question for now.

Chairman: Minister Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. As indicated earlier, the vapor pressure just slightly lower than the required Government of Nunavut specifications.

But it is still well above the CGSB requirements in the specifications of 67. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Minister. Mr. Netser.

Mr. Netser: My apologies Mr. Chairman, that was going to be my last question. That explains why then, we have problems with our snowmobiles not starting because the vapor pressure does not meet the Government of Nunavut's specifications for snowmobiles. Could you put it on the record? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Netser. Minister Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. That remains part of the mystery and the reason why we've been doing this testing.

Okay, Mr. Chairman, I will admit that there is new language in here that we're hearing being used which we haven't normally used in our communication. I apologize if there's anything that's confusing members. I must admit that it has been hard to read the test results because of the language used.

Mr. Chairman, we are trying to find out exactly as to what is causing all of this hardship in different communities because it varies from communities. It's not the same in every community, and it is our intent to try and resolve this issue, that's why we have been trying to do different types of different testing and getting full cooperation.

But however, as I have indicated in the House a number of times over the week, these are still ongoing and this exercise today is part of that process. Please if there's something that you don't understand, which we should try and clarify it more, please state it to us. Thank you, Mr. Chairman.

Chairman: Thank you, Minister. Mr. Netser.

Mr. Netser: Thank you, Mr. Speaker. Maybe the minister can't understand his own letters to me about the vapour pressure being related to the use of starting engines, and what we have in our plans, it does not mean that the Government of Nunavut specified value. (interpretation): I am not too sure if he understood that. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Netser. Minister Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. I do understand it clearly. When there was a request by my colleague to do a testing on the fuel tanks, that's when we started doing the testing and we realized that the vapour pressure standard, it was below minimum the vapour pressure standard.

I understand it clearly and I understand the correspondence I sent to my colleague. Thank you.

Chairman (interpretation): Thank you. Mr. Kattuk.

Mr. Kattuk: Thank you, Mr. Chairman. I have a little bit of a preamble before I ask questions.

As you know, there are very expensive machines in Nunavut, like about \$10,000 or \$11,000 machines. We don't have access, I mean when I speak in the House, I always try to speak for those people that are unemployed who don't make a lot of money, and they depend on their own country food that they bring to the table for their families.

So we don't have access, all of those accesses like down South, it's a very touching issue for a regular guy who doesn't work and who doesn't make money. So an \$11,000 machine is very expensive for people who depend on Income Support.

Also there have been some complaints from my constituency, but I complained to the minister in January, but I have not seen any specifications from the Sanikiluaq re-supply, but personally I know what is happening down there and I have some complaints from the people that notices a difference from the last year's re-supply.

So last fall, after re-supply, they noticed that each time, they had to change spark plugs on the ATV every morning, so I think there's something wrong in that additive. Also the snow machines is also the same thing happening. When you don't run them over night, next morning they don't start, so maybe there's something wrong.

Also I have a sample that I took sometime, with the people saying that it's not only spark plugs. I have a piston that was seized about two or three weeks ago. Also I have some spark plugs that didn't burn properly, they are black, when they burn properly they turn brown and white in the centre. There is something in there. So this is a good example, it's not only the spark plugs that are happening with the machine.

So I think it's not only the gas, I ask the guy who gave me, is it ok that I give it away and he said yes, it's not good anyway. So if you want to test it you can have it.

My question might be, how do you mix gas before you re-supply it to the communities? Do you mix it in a refinery, or does it mix before coming up north, or is there any method that you mix the gas before you put it in the communities fuel tanks. Thank you Mr. Chairman.

Mr. Chairman: Thank you Mr. Kattuk. Mr. Anderson.

Mr. Anderson: Thank you Mr. Chairman, I will attempt to answer your question at a very broad level. If you would like more detail about the actual testing methodologies, then I would refer to my colleague, Mr. Mitchell.

The stringent specs are set by the PPD. We test in the manufactures of the products to insure that all the components are on spec. We further test in the tank that we use prior to loading tank cars that would go to Churchill. We load the tank cars, the individual cars are tested. They are tested at Churchill. They are tested at the final destination.

I know it's been mentioned that in some cases there are opportunities to test at 22 different intervals. That simply doesn't present itself. The product is tested at a number of points, where it makes reasonable since to do so along the way. It's tested across potentially 25 to 30 different testing parameters, different attributes of the fuel.

Again in this case, pre-delivery, at delivery, and our subsequent investigations, we have found that this product has met all the specifications as set. Thank you Mr. Chairman.

Mr. Chairman: Thank you Mr. Mitchell, Mr. Kattuk.

Mr. Kattuk: Thank you Mr. Chairman. Thanks for that answer. Like I said there very expensive, the new machine. We don't have added octane posters in the shop, like in the smaller communities; we have no access to them. They might be very expensive additive to buy for a regular person.

I want to encourage the minister or Shell to go to communities as soon as you can because people out there losing their snow machines. I notice in my community that in about three weeks that there are people that have broken down machines. There are already seven.

I think that the weather is getting warmer so if the weather warmer, like looking at the spark plugs they are not burning well. I think if we get to the warmer weather I think that there will be no problems.

If you are going to add the additive to the communities I want to encourage you or Shell or the Minister to try to do it as soon as possible because those people are dependent on their machines.

That is the only comment that I want to make. I want to encourage the Minister or Shell Canada to put additives as soon as possible. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Kattuk. Minister Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. The specific request may be encouraging the different stores in the communities to be able to provide octane boosters. That is definitely something that we can communicate with the stores and see how we can also make extra supplies available at the local level.

Mr. Chairman, in the communiqué that I had with the member the other day about the scheduling of when the additive will taken to his community, the schedule was revised from March 9 to 10 is now showing when the additive will be taken to his community. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Minister. Mr. Kattuk.

Mr. Kattuk: Thank you, Mr. Chairman. When I complained in January about the gas I said that I grew up with the gas when there was no gas when I was a boy then. When I got out of school then I started to use gas, but this is the first time the snow machines wouldn't start in cold weather.

What he told me was that Sanikiluaq's specification needs to look at Sanikiluaq weather. Is that true? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Kattuk. Mr. Mitchell.

Mr. Mitchell: Thank you, Mr. Chairman. Sanikiluaq is actually slightly warmer than other parts of Nunavut. The gasoline we supply more than meets the requirements of the weather there. As was stated we should have those additives in the gasoline on March 9, depending on the weather.

I don't think you will require bottles of octane boosters at the Co-op, or whatever. I don't think it really helps. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Mitchell. Mr. Kattuk.

Mr. Kattuk: Thank you for that information. I will go on the radio in my community because they are doing polar bear hunting right now. So I will tell them that there will be someone to make additives on our gas on March 9. Thank you.

Chairman: Thank you, Mr. Kattuk. That was just a comment. Mr. Alagalak.

Mr. Alagalak (interpretation): First of all I would like to ask the Minister that I don't believe that you should be talking too much but I think there were two testing done for two snowmobiles in the Keewatin region. Were those two snowmobiles brand new? Thank you.

Chairman: Thank you, Mr. Alagalak. Minister Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. Yes they purchased two brand new snowmobiles to be used for testing.

Chairman (interpretation): Mr. Alagalak.

Mr. Alagalak (interpretation): Thank you, Mr. Chairman. Obviously I have heard that once they were filled with gasoline in the garage and then the snowmobile was working and operating very well.

It was done very briefly. One comment that I would like to state to make it more clearer, Shell Canada, (interpretation end): in my own opinion I will put this apologetic move by Shell Canada, to move into area where they think they can improve the gasoline, which is not.

It's being moved by your company to apologize to Nunavummiut by adding a solution to their gasoline which is not understood by hunters and trappers because they haven't been able to hunt all winter long, especially the trappers in constituency, that hasn't moved in the community because they're afraid that they're going to be stalled out there somewhere because of bad spark plugs, or whatever.

(Interpretation): The hunters are facing very challenging issues and I believe that you should be apologizing to the hunters. I don't think you should be apologizing about the fuel re-supply and the octane. I don't believe the octane booster is not the real reason why. The spark plugs for skidoos can be used for a long time.

They are full of soot and the ignition systems stalls and when the engine starts the piston goes way down and then it actually, it starts from the crank shaft. I apologize to the interpreters for speaking two different languages.

Although I'm very pleased to go through this but we don't believe, I don't think it's the octane boosters. It seems like they're not talking about a clarifier or cleaning solution for the gasoline. Also, I have heard that the gasoline that is being used has gumming problems.

For that reason, the trucks and vehicles, just recently an individual who had just purchased a new vehicle had to get spark plugs four times in one month. Since the vehicle is fuel injected and the pressure was no good because of the bad fuel and the gumming problem.

When the weather gets cold, it gets stuck. The stuff in the gasoline makes the gumming problems. It clogs up the system. I am very pleased that you are here to resolve this gasoline problem but the hunters and the fox trappers have lost a lot of their potential money that they could have made.

Why is this fuel supply a lot different from last year? (interpretation ends) It isn't regardless with what you are providing us with this year; the important thing is unfit for

the north gasoline to our time for us to suffer more. (interpretation) It's not acceptable. It seems like the minister doesn't seem to understand how much of a negative impact it has had on the hunters.

I would like to ask another question: if you have considered the gumming problem (interpretation ends) The solution to prevent gumming problems with the gasoline. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Alagalak. Mr. Anderson.

Mr. Anderson: Thank you, Mr. Chairman. This is indicative of the difficulty that we faced from the outset around the investigation of this in that it seems to be a very different problem on a one off basis that we hear about on a quite and infrequent basis, by the way. We have investigated any and all concerns that we have been asked to investigate through our customers at Petroleum Products Division.

In fact, in automotive applications, there was found to be no spark plug fouling. In fact, some gasoline pumps have actually been burnt out because they would run out of fuel. We have heard about a four-stroke here, and a piston here, and let me assure you this in no way resembles the issue that you faced in 2001, we are dealing with a spark plug fouling issue in some vehicles, in some two-cycle engines in some applications.

We have had reports from recreational users as well that suggested they had no problems. We are committed to finding the root cause of the spark plug fouling issues that you are facing.

Chairman: I'll have order in the House, please. Mr. Curley.

Mr. Curley: I was just wondering if the question was raised, and it did not ask the witness to generally speak about it or even minimize the complaints that are being presented to the House. They have not been addressed, and if he could ignore them, but he simply has to answer the question from a member.

Chairman: Thank you. Mr. Anderson.

Mr. Anderson: Thank you, Mr. Chairman. I will ask Mr. Mitchell to comment as well. Gumming is not an issue that we are looking at as we have not been alerted that it has been a widespread issue. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Mitchell.

Mr. Mitchell: It's just to clarify that the gasoline we supplied this year and last year contains a premium dose of a detergent, and this is unlike the gasoline that a different supplier supplied in 2001.

So for both years that we have supplied gasoline at the request of Petroleum Products Division. What I am talking about that because earlier there was some confusion raised by someone who suggested that we supplied the gasoline and we didn't.

Anyway, right now, the gasoline re-supply contains a premium level of detergent which prevents deposits in the fuel injectors specifically and in intake systems in general. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Alagalak.

Mr. Alagalak (interpretation): Thank you, Mr. Chairman. (interpretation ends) I understand that. To come then we have a lot of revalve problems in exhaust gauge valve systems all foiled up and locked up, and causing extreme temperatures in exhaust systems in outboard motors in causing improper ignition when the time intake goes on and causing a blowup in the cranking system and pushing the high pressured air from inside the pistons and causing a crackup in the pistons?

How come these are happening because we know some of us are little mechanics, underground mechanics, let's put it that way, because you need to answer those questions. We have a big buck stakes in the hunters and trappers because they haven't been able to rely on their trapping this year because the machine broke up in October and they still haven't fixed it today because of a lack of money and income which they would have probably received by trapping and hunting.

What are you going to do with that stuff? What are you going to do with these problems? The Government of Nunavut has no money to reimburse them for all their costs. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Alagalak. Mr. Minister.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. First of all, I would like to say that we have seen or heard of different concerns and just right now the member has stated that they're having gumming problems. This is the first time that we've heard of this problem. What we have done is studies on what we've seen or heard from the people out there. I am personally affected by this problem but again I am going to work very closely.

We have ongoing studies. I would like to make sure that through the studies we revolve the problems. I hear what Mr. Alagalak is saying about the gumming problems. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Minister. Mr. Alagalak.

Mr. Alagalak (interpretation): Thank you, Mr. Chairman. Well, I brought it up, and even if you say that you haven't heard about the gumming problem

(interpretation ends): Shell Canada, they are the professional gas supplier in the world. They have a way of testing actual gasoline requirements to those who will request to be supplied. I'm sure any component in the gasoline that it will not work in certain areas of the world would have been detected by chemists in your company. I'm a little disappointed that that hasn't been done.

My question is, will you supply and compensate hunters and trappers that had bad gasoline this year. I know the Government of Nunavut will not be responsible for that no more because you did it twice. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Alagalak. Mr. Anderson.

Mr. Anderson: Thank you, Mr. Chairman. I would ask the member to help me understand twice.

Chairman: Thank you. Mr. Alagalak.

Mr. Alagalak: I understand that you were the supplier in the first bad gasoline we had. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Alagalak. Mr. Anderson.

Mr. Anderson: Well again, that is some of the misconception and inaccuracy that we're here to clear up. We were not the supplier back in 2001. The gasoline that you have in the system today is the second year of our supply. So, this is exactly the type of information that we need to clear up.

In terms of the other question with respect to compensation, Shell Canada has and will continue to take direction from its customer, the Petroleum Product Division.

We have incurred as a result of working with them in the investigation and in the dosing of MMT into the communities at our own expense as a gesture and source of good will. Our expenses will exceed half a million dollars by the end of the 9 community re-MMT introducing initiative. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Alagalak.

Mr. Alagalak (interpretation): I'm done.

Chairman: Thank you. Mr. Barnabas.

Mr. Barnabas (interpretation): Thank you, Mr. Chairman. Again, I tabled some photographs of the spark plugs that we have and other engine parts. When Mr. Anderson was making his statement, he said that they did the inspections right from Churchill to the landed community. So, during those testings, what types of changes do you see from the origin and by the time it reaches its destination.

What types of changes do you see in that time span and what have you found so far.
Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Mitchell.

Mr. Mitchell: Thank you, Mr. Chairman. Basically, that they do all these tests is to make sure that the gasoline is still on spec by the time it gets there.

The actual final tests of the tank in the communities are actually contracted by Petroleum Product Division and run by the Alberta Research Council. The objective of that is to make sure that the fuel is basically the same product that left the refinery and nothing has changed significantly.

If there are changes then that brings in the question whether or not there was some mix up or whatever. So, it's really a quality control thing. It is really to ensure the quality is all the way to the final customer. We don't see a lot of changes in the parameters.

We did talk a bit about vapor pressure. Vapor pressure is at the real front end of the gasoline, so when you pump it around, you tend to lose a bit of vapor pressure versus what was put in at the refinery and that's about the only really significant change. There are other subtle changes in the results, if you look at one of the sheets, and that due to a variety of reasons, such as the test precision and things like that. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Barnabas.

Mr. Barnabas (interpretation): Thank you, Mr. Chairman. There must have been some change from the origin to the destination.

There must have been some change because we are experiencing problems in our engines. Why are we having such problems.

Chairman: Mr. Mitchell. Mr. Anderson.

Mr. Anderson: Thank you, Mr. Chairman. That, quite simply again, is the work of the next number of months to determine the cause of this issue. We have developed the short term solution with the reintroduction of MMT.

I don't believe, because of the number of tests that we do throughout the process, that we would have determined had there been a large change in the product specifications from the point of manufacture to the point of storage in Churchill, to the point where it was delivered for its final destination.

If that were the root cause of the problem, that would have been identified back in October or November and that simply isn't the case. Why this particular product, in this

particular application, in this particular environment after meeting all of the required specifications and more stringent specifications, continues to have spark plug fouling issues, is the work of the next number of months to get to the root cause. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Anderson. Mr. Barnabas.

Mr. Barnabas (interpretation): Thank you, Mr. Chairman. No, it's not only spark plug problems.

I showed spark plugs, just to show you what it's doing to the engine parts. So, the consumers are again going to be paying extra dollars for that additive, but ever since snowmobiles were introduced up here, they know what types of problems there have been, what is good gasoline and what is bad gasoline.

Are you going to be compensating the consumers of Nunavut, or what are you going to be doing. Thank you.

Chairman: Thank you, Mr. Barnabas. Mr. Anderson.

Mr. Anderson: Again, I can only reiterate that the degree to which the Petroleum Product Division and Shell has worked together to ensure that this grade of gasoline is superior in terms of octane and a number of other attributes has been a painstaking exercise. This product has met specifications. We continue to research why in this application it doesn't seem to meet in two cycle engines. In some two cycle engines in some conditions has some fouling.

Just to address the issue just very quickly around base gasoline that we produced out of our Scotford Refinery, had there been something more substantially deficient because we supply non-MMT additized fuel to the entire from Thunder Bay to Vancouver.

If this were deficient in some way that would have the effect of seizing engines, we would have tens of thousands of snow machines, and two cycle and ATV engines deficient report across western Canada. That simply is not the case. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Anderson. Mr. Barnabas.

Mr. Barnabas (interpretation): Thank you, Mr. Chairman. It is not just spark plugs problems; there are engines seizing and broken pistons. (interpretation ends) What is the anti-knock index of the gas after the additive is mixed into it?

Chairman: Thank you, Mr. Barnabas. Mr. Mitchell.

Mr. Mitchell: Thank you, Mr. Chairman. After we add the MMT, which we are adding to reduce spark plug fouling problems, the octane of the gasoline will probably go up by

half a number and a number, so it will go from approximately 92 anti knock index to 92.5 to 93. The octane is really not the issue here. The 92 limit that was put in the specification is basically a super premium already. In most of Canada the premium is 91.

So the fuel that is supplied to Nunavut in the east is a 92 octane fuel. It already has a lot of octane in it. Probably much more of the engines they are using actually needed. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Barnabas.

Mr. Barnabas (interpretation): Thank you, Mr. Chairman. I just want to have the other members to ask questions at this time.

Chairman (interpretation): Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. I have a question for the minister. Could the minister just confirm with me that the Government of Nunavut Petroleum Products specifications schedules D, in March 31st, 2004, are they for all of Nunavut, regardless of the region? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Peterson. Mr. Minister.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. Yes, there is only one specs that is applied for all of Nunavut for all of Nunavut's gas. Thank you, Mr. Chairman.

Chairman: Thank you, Minister. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. For the information of your witnesses I come from Cambridge Bay in the west and it is about 700 miles north of Yellowknife. So it is fairly far north. It is very cold there. It probably averages -35° to -40° Celsius everyday for five or six months. We don't seem to be experiencing any problems over there. I haven't heard of any. My colleague from Kugluktuk is further west than myself could probably confirm that.

Hearing the problems that our colleagues from the Baffin and Kivalliq seems to be having with fuel, it leaves me to wonder what is the difference between the fuel products that are supplied in the Kitikmeot versus the fuel products supplied in the Kivalliq and Baffin regions.

I know that there are different contractors so maybe Mr. Anderson or Mr. Mitchell could clarify for me what is the difference is? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Peterson. Mr. Anderson.

Mr. Anderson: Thank you, Mr. Chairman. I can't speak to the specific processes that other refineries use, I could only suggest that product would meet the same specifications as stated in the Government of Nunavut's specifications as we have.

I would add that different refineries within Shell, within industry worldwide have different ways of meeting certain specifications. There are different feed stocks, in terms of crude oils that they use, there are certain, as we call that the pots and pans that make up the refinery or it can be quite different across different refining centres.

What a specification does is set the end point; this is what the specification has to be. How you get there is really contingent upon the different assets that you may have in a refinery, the different feed stocks that you use, the different octane sources that you put in.

So the components and the streams into gasoline by refinery may be quite different, and again to be honest, I can't speak to other suppliers' methodologies and the units and conversion units they have in their refineries to get there.

Our refinery in Montreal is quite different than our refinery in Edmonton, and we get to that specification in those two cases by very different means. Thank you.

Chairman: Thank you, Mr. Anderson. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. It seems to me then that, I don't know how that industry cooperates now. We live in the part of the country where it's life and death in some cases.

The snowmobile is really vital to safety of people who are out on the land, hunters in particular, and it might be worthwhile for you talk to your counterparts at Imperial Oil to see what they do or what their refining process is for their products versus with what you guys use. We don't have problems in the Kitikmeot, so they are doing something right. I think that is something that is worthwhile pursuing.

I appreciate that you spent \$500,000 of your own money to try to rectify the problem, but the fact remains that it doesn't seem to be sorting out the problem. I know my colleague here asked earlier, and I will ask again: is Shell Canada or the Government of Nunavut, as you indicated that they awarded the contract to the contractor, so you take your direction from them, would you be willing to compensate the hunters the great expense and lost use of their snowmobile for extended periods of time? I know those engines cost quite a lot to repair and then they have also lost the use of their snowmobiles for hunting and trapping.

There is a great personal expense. I know you guys have spent \$500,000, but \$200 or \$300 to some of these hunters and trappers could be equivalent to \$500,000, speaking in relative terms.

So I am wondering, for the record, if you could comment on that. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Peterson. Mr. Anderson.

Mr. Anderson: Well again, and I don't want to sound like a broken record, but this product has met all of the specifications of the CGSB and the more stringent specifications as set out by the Government of Nunavut.

I would go as far as to say; how could I go to my shareholder and say: "We fulfilled a contract in every way possible that we could, we have done all of the specifications, we delivered the product on time, on specification, and now we are compensating for unknowns." And I think that the ongoing research that we need to conduct that will get us to the root cause needs to take place before we discuss further any issues around compensation or requirement with our customer, the Petroleum Products Division.

Again, we stand behind the quality of the products that we have supplied. This unique environment has confronted us with things that I don't think that anyone could have anticipated. I will add on the earlier note, with respect to supply into your region and the Imperial Oil supply, as we look at MMT as a short-term solution that we are additizing, I am not sure that Imperial Oil's removal of MMT was pre-delivery to your region or post-delivery to your region and does MMT provide a solution that we need to look at for next year is it in that supply today; will it not be in there next year if they continue to remove that based on having removed it from the entire balance of the country? I don't know. Those are all questions that I think we together with the Petroleum Products Division need to ask as well. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Anderson. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. I'll redirect my question to the Minister then responsible for petroleum products. Is the government prepared to assist the hunters and trappers and other individuals affected by this fuel problem. Will you compensate them in terms of repairs to the snowmobiles, lost revenues and anything else they've lost because of the fuel problem? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Peterson. Mr. Minister.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Alone, as the Minister, I am not in a position to make a decision of that nature. Because of the problem that we have run into, the decision will be made at the Cabinet level for my members information. Because of the problem that we've run into, there appears to be a number of factors, it has been the assignment to our department to find out the root cause of this problem and until such time as I have confidence that the root cause of the problem is known, that I really have in this case not enough tools to present this case to the Cabinet yet. Thank you, Mr. Chairman.

Chairman: Thank you, Minister. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. I appreciate the Minister's candid comments.

In response, Shell Canada has already indicated that they met the specifications, it seems to me they're saying that they're not at fault, but there is a fuel problem so somebody has to be at fault.

I know the contractors could be held at fault, but if they're saying they're not, then that means that the Government of Nunavut is somehow responsible for the problem of the fuel. The Government of Nunavut took the delivery to fuel so it seems to me that some ultimate responsibility has to be assigned to the Government of Nunavut for the delivery of the fuel.

The folks out there who are relying and depending on their snowmobiles are going to be looking to the Government of Nunavut for some serious leadership in this crisis situation so I hope you'll help, I know you said earlier that you said you take it very seriously and I think the members of this House believe you.

I personally believe that you take this issue seriously and I hope on behalf of the folks that are being affected, that you will look for ways to compensate them so that they get back to the normal life. Most of us want to enjoy a normal peaceful life up here and not be bothered by all these unforeseen major issues.

To go out hunting and trapping, make some money, go back to town and enjoy their family life and community life. This puts a great stress on a key sector of our economy as well so it is something has to be looked at very seriously by the government. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Peterson. Mr. Minister.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. I thank the member because that pretty supports the intent of our tests and continuation of wanting to find the root cause of the problem so we can have a better product for our clients and Nunavummiut.

Mr. Chairman, I also thank the member for his comments and note down the member's comments both from that region and also his concerns for his region. Thank you, Mr. Chairman.

Chairman: Thank you, Minister. Mr. Peterson. Thank you. Mr. Evyagotailak.

Mr. Evyagotailak: Thank you, Mr. Chairman. Hearing all this bad gasoline, it reminds of when Kugluktuk went through the bad gasoline that we experienced in the 80's.

I can see that other communities are going through with the problems. When we had the bad gas in our community once I experienced a lot of guys that would go out hunting and they intended to come back right away because of all the snowmobile problems.

You have mentioned, Mr. Anderson, when you use the same or similar gasoline that we use up north, you never had problems in Winnipeg. You should think of the northerners who live up here 24/7, 365 days a year, and live off the land, go out hunting, trapping, fishing, and they depend on what they hunt to keep the food on the table for their families.

You mentioned that you don't have problems with your snowmobile and I can see why; because you probably don't use your snowmobile 24/7, or when you go out hunting. A lot of our hunters use their snowmobiles a lot more than vehicles, or a lot more than people from down south.

If you live up north and you go out hunting a lot, and depend on the hunting a lot, and depend on the wildlife to put some food on the table, you will start to experience these problems, not only with spark plugs.

We don't normally experience spark plug problems, we also experience pistons problems, bearing problems that can affect the motor from bad gasoline, because if you have good gasoline, you won't notice these, but my colleague from Cambridge Bay had mentioned that we have not experienced the bad gasoline yet and I hope that we don't in the future.

I would like to ask Mr. Anderson if he can come up and live in the Arctic, up north, and do some hunting like any other hunters, and maybe you will experience the bad gasoline. When you live in Winnipeg, you work seven days a week and you probably go out snowmobiling once a week, and that's how you don't experience the bad gasoline.

So I would like to ask you, Mr. Anderson, if you can live up north to see if you can experience the bad gasoline, bring your snowmobile, and maybe my colleague can ask you to live in Rankin Inlet, and you will probably find out about the bad gasoline because not living there, you are not going to experience it. It's true.

You will have head home, you will drive from the airport to your house not worrying because if you break down, you will phone the tow truck to get your vehicle in the shop, but our hunters, we don't use the cellular phones up north when we go out hunters, we don't have any repair shops, we don't have any place to buy gas, and those are the ones that we worry about when we go out hunting.

I traveled down south on the vehicles and I never worry about breaking down because I take my cellular phone a lot and I try and find out, just in case I break down, who to call. You have two different cultures to compare, when you're down south. You're not really aware about where to get your gasoline and whether if you break down or not because if your vehicle breaks down you can easily get another vehicle to keep going.

Up in the Arctic, you don't have that option. That is why I would like to ask you to come up north and live in the Arctic for at least a year so that you can experience it, if you do that. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Evyagotailak. Mr. Anderson.

Mr. Anderson: Thank you, Mr. Chairman. It's a lifestyle that I envy and admire, and if you could talk my boss into a week, I would be happy to do that and take you up on your offer.

You've described I think very articulately and very accurately in part the very problem that we face through the investigation. You're exactly right, I don't operate my machine in -45. Having lived in Winnipeg, I don't live there today, having previously lived there for 17 years when it was -30, I used to be apprehensive about going out, so I didn't operate in those kinds of conditions and you're right, there was always someone close by.

We certainly appreciate the degree to which you rely on the machines that you operate. Any two-cycle machine, should it be an ATV or a snow machine for business or for recreation, the problem is the snowmobile manufacturers, we've gone to refiners all over the Baltic, Helsinki, anyone who supplies into regions that are arctic-like in nature, no one has been able to assist us with any further information on MMT additives, product tested at low temperature under extreme load running thousands of hours more than on a machine than conventional recreational users would be.

We're breaking new ground with the Petroleum Product Division, in terms of trying to set an even more stringent specification that we know is not only going to meet the requirements toward business and recreational use for two-cycle engines but also, with only one gasoline here, it has to meet the requirements for all automotive as well, ATV's and 4 stroke outboard.

Again, this is groundbreaking. We're trying to work very diligently with the Petroleum Product Division to establish these more streamlined specifications and in the short term we have a solution. In the long term I don't think a solution is very far away. If that solution includes MMT, we'll include it. If it doesn't we, need to find another solution. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Anderson. Mr. Evyagotailak.

Mr. Evyagotailak: Thank you, Mr. Chairman. Yes, I know that you are not using your snowmobile seven days a week, because I know people like who work seven days a week don't have time to use their snowmobiles.

I'm glad that you guys came up here to try and answer some questions. I hope that you guys will try and fix and straighten things out because where we live, it's quite expensive

to live up north. You compare the gasoline from the arctic and down south, there is a lot of difference.

When Inuit are going through some problems. they voice their concerns not only because it's expensive. but because the gasoline that they receive from the oil companies, sometimes they would ask if they are going to replace our engines or not.

I think some of the questions needs to be answered that came out this evening. I am sure some of the members have some more questions, so I am done. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Evgotailak. Mr. Curley.

Committee Motion 003 – 2(2): To Extend Sitting Hours Until the Item in Committee of the Whole is Concluded

Mr. Curley: Thank you, Mr. Curley. A privileged question, Mr. Chairman. I move that we keep sitting hours until the item on the Committee of the Whole is concluded. Thank you.

Chairman: Thank you, Mr. Curley. Mr. Curley made a motion to extend the hours until we complete this. All those in favour? Opposed. Abstentions. Motion is carried. Thank you, Mr. Curley. Mr. Evgotailak was asking questions. Mr. Minister.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. The comments that were made by my colleague, I understand perfectly. I cannot make any decisions on my own and don't have that authority when I am here at the witness table. I just wanted to remind my colleagues.

The investigation that we are doing, I am supporting it until it is completed and the root cause is found; I will support it. Thank you.

Chairman (interpretation): Thank you, Minister. Mr. Mapsalak.

Mr. Mapsalak (interpretation): Thank you, Mr. Chairman. I originally wasn't going to ask questions, but my constituents in Repulse Bay and I have been told by many people, whose spark plugs are breaking not just on ski-doods, even with vehicles. There is black exhaust coming out.

I also wanted to state that when Inuit first started using ski-doods, they were quite naïve about how they function or what to do if it breaks down, whether it was a little small thing that was missing because they really have to use the ski-doods. So in such a short time, Inuit got accustomed to the motor. They were able to take it apart and put it back together in such a short time.

When they can do that, they can tell you and identify that it is from the gasoline. It is clear that the root cause is the gas, even though it wasn't like that last year.

Sometimes, we even ask just by observing, just by looking we can see with our eyes that it is different from last year. The colour is slightly different. When people first started using it in Repulse Bay, we ran out of gasoline and they had to bring some in. It became obvious that the bad gas was no good. People were saying to me, and the scientists down south can never believe Inuit because they can identify or know if there is a problem because a lot of times they fail to believe Inuit. It's been like that.

If they know so much, they can say that the gasoline or fuel is good. As if though they're trying to cover up for themselves because money here is at stake because they don't want to lose money.

The new additive that we are discussing, I fail to believe fully because this year has been extremely cold, in the Kitikmeot region where it's even colder over there. Comparing it to the Kivalliq Region and the Baffin and they're gasoline is perfectly fine. So it's not because of the extreme cold weather.

I know you will not believe us right away because we are not qualified mechanics or we don't have the credentials like southern people do. I wonder if you have to put in an additive to the gasoline, I want to get an understanding why do you need that additive.

It is because it's no good maybe the other being why the Inuit cannot be believed. People make it sound like that Inuit are not credible enough even though they spot those problems just looking at them and seeing them. If you understand my question. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Mapsalak. Minister. Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. The people here at the Witness Table here would like to make a supplementary response, they may do so.

The testing we had done in Rankin Inlet, I will speak to that issue first and then respond to his question. The testing that was done in Rankin Inlet, the results were that the additive had made the spark plugs a lot cleaner and that it had improved the engine and many communities have stated that the spark plugs had build ups.

We do believe them in your constituency and in your region, your region had complained about the bad gasoline. We first found out that the problem that arose from that area and we do not wish to see this happen again. We did not just want to know about it, we wanted to do something about it.

In regards to your question about not believing Inuit as experts or not acknowledging Inuit hunters as experts, but this company has been very receptive to us. We've had a

very close working relationship. Shell Canada officials has stated that they respect the hunters and they're just doing testing why the gasoline is the way it is.

Mr. Chairman, once the test results have arrived, I will provide you with the copies of the results. Thank you.

Chairman (interpretation): Thank you, Minister. Mr. Anderson.

Mr. Anderson: Thank you, Mr. Chairman. I would only add to the honourable minister's comments, in that we very much do respect the input that we have received, from those on the ground in Rankin Inlet, and we chose to do a field test in Rankin Inlet for that very reason, to have local people assist us with local, and emulate local conditions.

We can do all of the cold box testing that our Ski-Doo manufacturers try to do, but we are not going to be able to simulate -45°C and -65°C with the wind chill unless we are in Rankin Inlet or Iqaluit and doing those tests. That's why we did in the field.

I would also add, though, in terms of testing research and methodology and the science behind fuel or fuel related problems, we have some experts 20 year, 25 year fuel people who are constantly surprised with the evidence that would appear in front of them, only to find that the root cause is completely unrelated to what they had initially thought it was.

I am surprised to find that it was not a fuel problem, it was an oil additive problem, not the oil itself, but an additive within the oil, and two-stroke engine oils have a number of additive packages themselves.

So, to speculate as to the root cause before a very in-depth analysis is done on a multitude of variables, I think it would be doing an injustice to trying to find a longer term solution. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Anderson. Mr. Mapsalak, (interpretation) do you have any further comments?

Mr. Mapsalak (interpretation): Thank you, Mr. Chairman. It's more a comment than a question, I will make it brief. It's obvious that we need to put in an additive to the fuel, then we know it's not a good fuel. How long do you expect to do the testing until you get the final results? Perhaps the minister can respond to me. Thank you.

Chairman (interpretation): Thank you. Minister Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. We would like to see the results come in as soon as possible from the testing, but the samples we have sent out, there are other testing being done in the field, we are just going to wait for the accumulation of the results.

We would like to at least see the results not too long from now, and once the results come in, I would be able to inform the members. The reason why is that it takes time for the results to be accumulated. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Minister. Mr. Mapsalak.

Mr. Mapsalak (interpretation): I am finished now. Thank you.

Chairman (interpretation): Thank you. Minister Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. If it's okay with you, Mr. Chairman, I have a nature call. I would like a 5-minute break.

>>Committee recessed at 18:04 and resumed at 18:17

Chairman: We can now resume. We still have the Minister and representatives from Shell Canada at the Witness Table. Mr. Netser.

Mr. Netser: Thank you, Mr. Chairman. My questions relates to a vehicle. Recently we bought a vehicle, a little Honda 4 cylinder, 4 stroke and I've noticed with my years of experience on vehicles that this little vehicle for a brand new machine, it takes a while for it to start, there is black soot coming out of the exhaust pipe.

Can Mr. Anderson, or the other person explain why? Thank you.

Chairman: Thank you, Mr. Netser. Mr. Anderson.

Mr. Anderson: I may call on the assistance of my technical colleague but I'm not the technical expert. I really can't comment on specific incidents.

I too find from time to time I have a new F150, and I find from time to time the exhaust is different. And with my snow machine from time to time depending on conditions and whether it is pre-mixed properly I get different results as well and I really can't comment on specific applications or specific vehicles.

Ken if you want to comment further on anything on Honda elements and specifics. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Anderson. Mr. Mitchell.

Mr. Mitchell: Thank you, Mr. Chairman. All I can say is that that actually is quite helpful because you've given me the name and model of a vehicle which is generally a lot more information than I've been given so far.

It makes it much more helpful because I could actually even rent one of these and if I wanted whereas before all I would get is we have all these problems. A late model was an

earlier comment, a late model vehicle which unfortunately is not really much help because different vehicles respond differently to fuels.

There is an interaction between the vehicle and the fuel and it depends how the vehicle was calibrated and there's a lot impact so, that's why typically if you do have issues between a fuel and a vehicle it is quite often quite specific to a given kind of vehicle or a given supplier of vehicles or given automobile manufacturer. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Mitchell. Mr. Netser.

Mr. Netser: Thank you, Mr. Chairman. He is so professional when it comes down to answering questions. This little vehicle of ours and I have had vehicles before, F-150 and such like that. When it is a new vehicle it starts up immediately but this little vehicle hesitates, even if it has been parked for two hours.

That goes back to the letter that the Honourable Minister wrote the rate of pressure released to the use of starting engine. Mr. Anderson indicated that not all the specifications of his contract obligations and the letter from the minister indicate otherwise. Mr. Minister. They are calling you a liar. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Netser. Mr. Anderson.

Mr. Anderson: Thank you, Mr. Chairman. There is a couple of point that I could make is that when you test for vapour pressure specifically the way you sample the gasoline is very important.

There are actually sampling requirements that are required to properly take a sample to measure vapour pressure because vapour pressure is a somewhat elusive parameter. If a sample is not taken properly then the results will be low. That is the first point.

The second point is that all tests have precision. What that means is that you can take the same samples put it in two and test it in the same machine on two different days and you will get two different numbers; they will be slightly different. The difference between specification, which we talked about earlier, and the actual result for Coral Harbour is not significant. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Anderson. Mr. Mitchell, did you want to add to that?

Mr. Mitchell: No. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Netser.

Mr. Netser: Thank you, Mr. Chairman. What then you are indicating is that the samples are not taken properly, then you are indicating that the very department that work with, the PPD, is incompetent. Is that what he is saying, Mr. Chairman.

Chairman: Thank you, Mr. Netser. Mr. Mitchell.

Mr. Mitchell: Thank you, Mr. Chairman. No, I didn't. What I said was that you have to take a lot of care in taking vapour pressure samples. I have no idea of how that sample was taken so I can't comment. All I am doing is telling you when you look at or when you look at a table of results of tests on gasoline or diesel fuel or any kind of product you have to be aware of sampling requirements and of test precision requirements. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Mitchell. Mr. Netser.

Mr. Netser: Thank you, Mr. Chairman. May I ask the minister how long the Petroleum Products Division has been based in Rankin Inlet, and how many years experience they have? Thank you.

Chairman: Thank you, Mr. Netser. Minister Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. I would like to invite one of my witnesses to address those questions, please.

Chairman (interpretation): Thank you, Minister. If you could escort her please, Sergeant-at-Arms.

Thank you, Mr. Minister. If you would introduce your official.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. On my left we have Susan Makpah, who is the Director of the Petroleum Products Division.

Chairman (interpretation): Thank you, Mr. Minister. Mr. Netser.

Mr. Netser (interpretation): Thank you, Mr. Chairman. I would like to welcome you. I am sorry, Ms. Makpah. My question was, the Shell representative implied that your staff in Rankin Inlet was incompetent when it come to taking samples of the products. I believe it was Mr. Mitchell who made the claim.

How long has your staff been working in Rankin Inlet? I used to work for the Petroleum Products Division. Could you tell us how long you have been working in there? Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Netser. Ms. Makpah.

Ms. Makpah: The person that is responsible for operations of Petroleum Products Division has been with other departments. He started off at the Petroleum Products Division officer back in the mid-90s and he has been with us for a couple of years now in headquarters.

Chairman (interpretation): Thank you. Mr. Netser.

Mr. Netser: Thank you, Mr. Chairman. So what you are saying then, he does have some experience in handling, taking samples and etc.... Thank you, Mr. Chairman.

Chairman (interpretation): Thank you. Ms. Makpah.

Ms. Makpah: If you are specifically asking for the gasoline that we sent out for retesting this summer, we have contractors in each community. The contractors that we have in each community draw out the gasoline into a can sample and then we send it down to Alberta Research Council for testing, but the contractors we have in the communities are the ones that take the gasoline into a small can and we ship it down for testing.

Chairman (interpretation): Thank you. Mr. Netser.

Mr. Netser: Thank you. May I ask how long has the contractor been the sole contractor for the Government of Nunavut and previous to becoming a territory? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Netser. Ms. Makpah.

Ms. Makpah: The contractor we have in Coral Harbour has been the contractor for quite some time now that started with Petroleum Products Division prior to the Government of Nunavut, and he was the contractor prior to me going into Petroleum Products Division.

Chairman (interpretation): Thank you. Mr. Netser.

Mr. Netser (interpretation): Thank you, Mr. Chairman. We are not dealing with the Petroleum Products Division. What we want to do is to get the information out there to the public, to the viewers. I would like to thank you, Ms. Makpah, for answering my questions. Thank you.

Chairman (interpretation): Thank you, Ms. Makpah and Mr. Netser. Mr. Curley.

Chairman (interpretation): I apologize. Mr. Netser has not completed his lines of questioning. Mr. Netser.

Mr. Netser (interpretation): Thank you, Mr. Chairman. Again, in Coral Harbour, I think there are two vehicles that broke down. What types of testing would we do to find out what caused this breakdown? Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Netser. Minister Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. We have had a few communities come to our department to have some vehicles tested. I will be able to respond to that once we get the results. Thank you.

Chairman (interpretation): Thank you. Mr. Netser.

Mr. Netser (interpretation): Thank you. Do you have to have a lot of vehicles break down before you can do any testing? Thank you, Mr. Chairman.

Chairman (interpretation): Thank you. Minister Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. If the breakage is for the same, it doesn't have to be a big number. It's quite expensive to have studies done. For example, if you wanted to have that vehicle tested that recently broke down, we could do so. Thank you.

Chairman (interpretation): Thank you. Mr. Netser.

Mr. Netser (interpretation): Thank you. I don't have a lot of questions, but we keep going back to the vapor pressure release. It seems like the problem is with the vapor pressure. If you put in a new spark plug, the vehicle doesn't start up right way. You have to wait until the skidoo warms up, even though it's a brand new machine.

We hear from the public out there that the government's contractors, Shell Canada, if they're going to keep Shell Canada as their contractors, there is going to be more vehicles breaking down.

Chairman: Thank you, Mr. Netser. That's not a question, that was a comment. Mr. Curley.

Mr. Curley: Thank you. First of all, a quick point because there has been an attempt, whether it's deliberate or not, that this issue is related to spark plugs and that's all it is.

Mr. Chairman, I want to be very clear that that is not the case and I said that during my opening remarks because I have invited Shell Canada for a number of times whether we should sit down with them. I have urge your client Shell Canada. I have notified your client since September of the bad gasoline.

I have provided information about broken outboard motors, 4 strokes and Mr. Netser, this is not restricted to two strokes. Don't get that whether you call it that you're attempting to minimize the negative impact of Shell Canada products that it's only creating spark plug problems.

If that's the case, I said during my opening remarks I wouldn't invite you here for spark plug problems because that would be silly and I don't want to hear anything of that again. Mr. Chairman, I want to ask Shell Canada why is it with the same speck from last year re-supply for gasoline and petroleum products, this year's supply is different than last year.

Chairman: Thank you, Mr. Curley. Mr. Anderson.

Mr. Anderson: First of all, let me comment on the issue of other problems, a September outboard motor issue that we were asked to investigate and I believe you are familiar with it, resulted in us determining that there was a misapplication of aviation fuel in a four stroke engine.

Clearly, a misapplication of that magnitude would cause problems. We have investigated a couple of RCMP vehicles who suggested that there was a fuel problem related to fuel pumps and after the investigation we found that the fuel pumps were run dry, that in the switching of tanks, whether automatic or manual, the fuel pumps are lubricated by the fuel themselves, and if they're run dry, they melt.

That was a further investigation that we did early on. So, we do take every concern about the fuel seriously. We have found in many cases of the ones we have investigated where there has been a misdiagnosis of the problem, a misapplication of product.

I will say that this issue of spark plug fouling that we have found a short term solution for, we have taken very seriously and worked very hard to get to the point where we are today. I do believe that there is a long term solution that may or may not include MMT. To Mr. Curley's point around what is the difference, the obvious difference has been the removal of MMT from product from last year to this year.

MMT wasn't a specification. It was in at that point to enhance octane. Octane was achieved through other means. It has been deemed to be a short term solution because of other attributes of MMT that we or the manufacturer was not aware of. It appears to assist in the performance extremely cold temperatures.

If we determine that the Petroleum Products Division that MMT needs to be a specification included, the specifications can be changed and Shell will meet the specification. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Anderson. Mr. Curley.

Mr. Curley: Thank you. Mr. Chairman, I want to ask the Witness of Shell Canada: was it requested by the Petroleum Products Division that this particular octane additive, MMT, be removed for 2004-05 re-supply?

Chairman: Thank you, Mr. Curley. Mr. Anderson.

Mr. Anderson: Thank you, Mr. Chairman. No, it was not a request of the Petroleum Products Division that it be removed. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you. Mr. Curley.

Mr. Curley: Thank you, Mr. Chairman. Did you notify your clients that you were not going to include this product and did you advise them that there might be some change, and if so or if not, why not?

Chairman: Thank you, Mr. Curley. Mr. Anderson.

Mr. Anderson: Thank you, Mr. Chairman. Shell made public announcements on a national basis that it was withdrawing the use of MMT in its manufacture of gasoline for any and all of its customers that would have been affected. That public notice was made available on a very widespread basis. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Curley.

Mr. Curley: Thank you. So Shell Canada announced it publicly. Could you table or send that information that you made that announcement? You assume that just by virtue of that public announcement that your clients, perhaps significant clients with respect to Petroleum Products Division supply requirements in Nunavut, that you did not feel that you had to specifically contact Petroleum Products Division officials, that there might be some changes, if changes do happen, you didn't just, by merely meeting the standards, that it was not important in your view to specifically notify Petroleum Products Division officials that there may be some impacts without this particular additive. By failing to do so, did you not feel it important that you have added other octane booster levels, and if they are included in the re-supply, why didn't you notify them?

Chairman: Thank you, Mr. Curley. Mr. Anderson.

Mr. Anderson: Thank you, Mr. Chairman. Gasoline blends at different refineries to meet specification change every two weeks. Whether we use a different additive, a different amount of additive, we change the vapour pressure to meet RBP schedules. The distillate diesel fuel, CP-43, the jet fuel, all of those are probably different in some respects from the supply you received last year as well.

Did we notify the Petroleum Products Division or any of our other clients the exact methodology, the exact dose of this component or that component to meet the specification? No, and it's not a requirement, it should not be the requirement as long as we meet the very stringent specifications as laid out. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you. Mr. Curley.

Mr. Curley: Thank you. I realize it's not a requirement. I don't know what the requirement is, but if I have significant customers, I would think it's important by virtue or courtesy that we advise them that there might be some changes or might be some impact. So we will deal with the minister on that later.

But I just want to point one thing that I hope there's no deliberate attempt. When I pass a couple of samples that should be tested, there were two outboard motors that were

presented to Petroleum Products Division, you now choose to deal with the ones that didn't qualify or meet it. That's not an issue with me or this Committee.

The issue is there was one motor and I tabled, last week, a letter from the businessman of a toy company. It's important for a bad blizzard, now he has outboard motors that I tabled the results of that study in September and the problems associated with it in September. I am not expecting you to be aware of it, but I did table it in due time.

How they got to you is a mystery to me, if there is a fact that you indicated that your client is Petroleum Products Division and what happens with the customers of the retail side is none of your business. Is that how I understood what you're saying?

Chairman: Thank you, Mr. Curley. Mr. Anderson.

Mr. Anderson: No, we couldn't conduct proper investigations in conjunction with the Petroleum Product Division, if we did not have access to the information.

I don't specifically need to know or my researchers don't specifically need to know the names and addresses of the individuals but certainly we would be, in working in conjunction with the Petroleum Product Division, would like to understand what samples are being taken so that we may, we couldn't have assisted in the short term solution had we not been given access to the information that's available on the problem and going forward for a long term solution if we're not given access to the information, test results, inquiries, motor parts, what have you, I think it would be very difficult to find a long terms solution. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Anderson. Mr. Curley.

Mr. Curley: Thank you. Thanks for telling us that information. So you won't mind if we do have problems with seized engine outboard motors, who should we notify at the Shell Canada Company. Thank you.

Chairman: Thank you, Mr. Curley. Mr. Anderson.

Mr. Anderson: All of the inquiries, all of the complaints are being handled through the Petroleum Product Division. Shell Canada is working together with the Petroleum Product Division to do whatever research is necessary to assist, direct, the Petroleum Product Division is our customer, and we are working with them to assist them with their customers. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Anderson. Mr. Curley.

Mr. Curley: Thank you, Mr. Chairman. I appreciate Shell Canada's interest in getting information but they not interested in getting information directly from our retail buyers. So it has to go through Petroleum Product Division. We'll deal with the government. I have urged the government to hold consultations with the retail customers.

Let's not all minimize the fact that that information has not been requested. We have tried. We don't micromanage what they do. We urged the government to do so.

How important is the re-supply contract to Shell Canada for Nunavut.

Chairman: Thank you, Mr. Curley. Mr. Anderson.

Mr. Anderson: The re-supply contract for Nunavut from Shell Canada, like many of our clients is a very important piece of business as is the relationship that we've established here. We have a number of other communities that we have assets in Nunavik. We supply the FCNQ Arctic type fuel for their locations throughout the Arctic as well.

In terms of the relationship, it is an extremely important relationship to us and we cherish it. In terms of it's percentage of refinery output on a volumetric basis, it's very, very small. Nonetheless a very, very important piece of business for us. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Curley.

Mr. Curley (interpretation): Thank you. I have another question for you. If the specifications are not changed from the last two years for the coming summer and year. Will you be supplying the same type of gasoline or any other petroleum products to Nunavut.

Chairman: Thank you, Mr. Curley. Mr. Anderson.

Mr. Anderson: Thank you, Mr. Chairman. If the re-supply of fuel comes before we have a definitive long term solution, decisions will have to be made with the Petroleum Product Division to potentially change, on a short term basis, the specification to include MMT as an example because as we know, through our test and the reintroduction of MMT that we are currently undertaking that it assists in the problem.

We do have a number of options through in determining the long term solution. If we have it, it could look different. If we don't there is the option to re-supply out of Montreal into Churchill with a different refinery base production with or again without MMT. Those are all decisions that Shell Canada, together with the Petroleum Product Division, will make over the next 60 days or so. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Anderson. Mr. Curley.

Mr. Curley (interpretation): So my understanding is that, unless the Petroleum Product Division changes the re-supply specification requirements, you will be providing the same gasoline, same supply to Nunavut.

So, having said that, have you been paid 100% for this year's re-supply. Thank you.

Chairman: Thank you, Mr. Curley. Mr. Anderson.

Mr. Anderson: On the first point, will we supply product on the specifications as laid out by the Government of Nunavut? Absolutely.

Whether that specification changes to include MMT or not, we will need the specification. On the second point, I can't comment, you'd have to ask our credit department. That's not area that I look at on a day to day operational basis, but I would assume so. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Anderson. Mr. Curley.

Mr. Curley (interpretation): Thank you. So, my understanding is, unless the Petroleum Product Division changes the tender and specifications for next year's re-supply, you will supply the same gasoline.

So, I would advise the members of this committee to very seriously look at the budget and the estimates that we have yet to consider and I will recommend Mr. Chairman, one of the Members of the Legislative Assembly that this not approve or ask Shell Canada to re-supply next year's.

Would that be fair that if you're going to be providing a substandard gasoline supply to Nunavut without regard for what's happening to the engines that are being broken and engines being seized, I'm not going to indulge you on that any longer. I have the facts.

If the government wants them, if they will look at the, and consult with the members, they are available. I had advised Mr. Ritchie as well with an e-mail through all that. So, my point is if you will be providing Nunavummiut with the same supply, I have concerns. I think many of the members here in the house have concerns.

I really believe that you need to come train and provide a better option by either responding to the public that we have had experience with broken engines and so on, that you are going to do a little more than just trying to conduct good PR while you are here. Thank you.

Chairman: Thank you, Mr. Curley. Mr. Anderson.

Mr. Anderson: My appearance as a public relations effort or ploy as opposed to answering questions, nor was our donation to the community that you mentioned earlier. That was approved, I approved the cheque sometime in June or July and had only assumed that it had been presented some time ago.

Again, it's a coincidence as you may have suggested also. We need to find a longer term solution and again, you asked are we going to supply the same product that we supplied

this year or are we going to supply the same specification. Those are two different issues in my belief.

We will supply the specification that is set by the Petroleum Product Division in consultation with ourselves and any other consultant or advice that we may take into consideration. I would really hesitate to suggest that the fuel itself, the way that it was manufactured in it's current state with out MMT, we know that that exact molecular chemistry has not served us well without MMT and we're re-introducing MMT.

When you say will we re-supply with the exact same fuel, no. Will we meet the same specification, we may meet the same specification, we may meet it a different way. Will the specifications be changed. That's the work of the next number of days. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Anderson. Mr. Curley.

Mr. Curley: Thank you, Mr. Chairman. This will be my last point. I certainly appreciate Shell Canada attempting to clarify their point a number of times, but I'm not 100% sure which supply they will be supplying.

You're saying it's going to depend on whether the Government of Nunavut changes their specifications or not, but I think really the responsibility lies with somebody. If someone supplies substandard, you know, the gasoline supply that's been sitting in some refinery may not have been sold to some other major buyer somewhere.

I don't know what all of the factors are, but I don't know exactly where that goes. Did it sit around somewhere so long or what not? Did it come directly from the refinery? How did it get there? What lee time do you need to get it through the refinery process and so on? Exactly when do the specifications be presented to you and when do you make up your mind to ship or supply Nunavut gasoline supplies at what point? What criteria do you present to the government on whether what you are supplying would be acceptable or not? Thank you.

Chairman (interpretation): Thank you, Mr. Curley. Mr. Anderson.

Mr. Anderson: Thank you, Mr. Chairman. First of all, on the issue of substandard fuel. Quite the opposite, and I think we have gone into some length to explain that this fuel is Grade A++ relative to fuel that we supply in any other part of Western Canada within the Shell Edmonton orbit.

This fuel, because it is winter-grade gasoline manufactured in the summer, to think that it might sit around and not be or be available to someone, no one else would want this fuel. This is a particular boutique type of blend fuel that we have to manufacture specifically to put into specific isolated tanks to specifically load rail cars for this specific piece of business.

It is a very unique blend of winter gasoline made in the summer, not available for anybody else. We manufacture it, it's shipped within days of manufacture because we can't have the tanks nor would we want the tanks tied up for any length of time and the product is railed into Churchill and stored there for redelivery into the communities.

Again, I think anyone looking at the specification as a third party, looking at the uniqueness of it, would say that this is a superior grade, a superior specification of gasoline and far from something that could be dangerous as substandard. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Anderson. Mr. Kattuk.

Mr. Kattuk: Thank you, Mr. Chairman. I just have one more comment. Yes, up north, we depend on a lot on government departments because that's all we have. For example, municipal services, doctors, nurses, buying sealskins, fuel is one of them, we have nothing else.

So in that comment, I think we are trying to give you a message, whether it's Shell or Government of Nunavut, if they are doing the mixing at the refinery level, we are trying to give you, either when the mixing is done because we will be dependent on that gasoline. There is nothing else we have besides what we get for re-supply. There are a lot of people out there that have nothing else. Their snow machine, that's their snow machine, they don't have a truck or something like that.

So I think the message that we are trying to give you is that when the mixing is done at the refinery level or wherever, try to be there and we are depending on you in the Arctic. So that's my comment.

If I heard correctly, that you mentioned also, Nunavik is served by Shell Canada. Did you said Nunavik? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Kattuk. Mr. Anderson.

Mr. Anderson: Thank you, Mr. Chairman. We supply our own three communities in Nunavik, where we have Shell Canada assets on the ground. The largest of those communities being Kuujjuaq.

We also supply FCNQ, the Federation Cooperative of Nouveaux Quebec, who supplies into many areas within the same region. I think some 30 communities in total between our communities where we have Shell Canada assets and the FCNQ communities. Those are supplied out of our Montreal refinery. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Anderson. Mr. Kattuk.

Mr. Kattuk: In that sense, do they also have concerns about the gasoline or is it just the Baffin and Kivalliq that are concerned about the re-supply. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Kattuk. Mr. Anderson.

Mr. Anderson: Thank you, Mr. Chairman. We have had zero complaints out of the communities that we service with our own assets as well as zero complaints with FCNQ on their supply.

Chairman: Thank you, Mr. Anderson. Mr. Kattuk.

Mr. Kattuk: Thank you, Mr. Chairman. That's all I have for now. Thank you.

Chairman (interpretation): Thank you, Mr. Kattuk. I don't have anybody else on my list.

Mr. Barnabas (interpretation): Thank you, Mr. Chairman. We are not completed yet. I wonder if they can stay in town until tomorrow, at the witness table. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Barnabas. Mr. Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. I'll let them respond themselves. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Minister. Mr. Anderson.

Mr. Anderson: Thank you, Mr. Chairman. We had not anticipated it. It's caught me a little of guard, I would have to consult with my colleagues, as well as with our corporate aviation people because as I'm not sure you're aware, we have our corporate plane here as well, which may be committed somewhere else in Canada, later today or early tomorrow.

I would have to, quite honestly I just can't tell you whether that's feasible, or whether another two hours is feasible, Mr. Chairman.

Chairman: Thank you, Mr. Anderson. Just a minute please. There was a motion made to complete this issue by Mr. Barnabas.

Mr. Barnabas (interpretation): Thank you, Mr. Chairman. I wonder if we open another invitation, would they be able to come up. Thank you.

Chairman: Thank you, Mr. Barnabas. Mr. Anderson.

Mr. Anderson: Thank you, Mr. Chairman. Yes, certainly. We would come back and attend again and I may add that perhaps with some of the work that lies ahead of us around a longer term solution that that might be a good day to re-attend to share some further information, some further findings and as we get closer to the re-supply, some

further information around specifications, potential specification changes and what next year's re-supply formulation and specifications look like. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Anderson. Mr. Barnabas.

Mr. Barnabas (interpretation): Thank you, Mr. Chairman. So, yes it's clear now and I wish Mr. Anderson and Mr. Mitchell and Mr. Kilabuk for appearing before us. So, therefore I move to report progress.

Chairman: Thank you, Mr. Barnabas. There is a motion on the floor and it's not debatable. All those in favor of the motion, raise your hands.

Some members: agreed

Chairman: All those opposed. Abstentions. The motion is carried. Thank you. Do you agree that we have concluded our debate on this issue?

Some Members: Agreed.

Chairman (interpretation): Thank you. I would like to thank the Minister and his witness. Mr. Minister, would you like to make closing remarks.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Just very quickly I would like to thank the witnesses here with us to especially Mr. Anderson, Mr. Mitchell along with Susan and Mr. Rich.

I just want to commit that we will continue to try and discover what is causing a lot of this confusion and also the problem at the community levels. As we get further updates, I will be providing them in them in the House. With that, thank you, Mr. Chairman.

Chairman: Thank you. Thank you, to the witnesses, Mr. Anderson and Mr. Mitchell. We'll see you again.

Speaker (interpretation): Please be seated. Item 21. Report of the Committee of the Whole. Mr. Arreak.

Item 21: Report of the Committee of the Whole

Mr. Arreak: Thank you, Mr. Speaker. Your Committee has been considering Committee Motion 2-2(2) and would like to report progress. That Committee Motion 2-2(2) is concluded and Mr. Speaker, I move that the report of the Committee of the Whole be agreed to. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. There is motion on the floor. Is there a seconder? Ms. Aglukkaq seconds the motion. The motion is in order. All those in favor? All those opposed. Abstentions. The motion is carried.

Item 22. Item 23, Orders of the Day, Mr. Clerk.

Item 23: Orders of the Day

Mr. Quirke: Thank you, Mr. Speaker. Orders of the Day for Friday, March 4th.

1. Prayer
2. Ministers Statements
3. Members Statements
4. Returns to Oral Questions
5. Recognition of Visitors in the Gallery
6. Oral Questions
7. Written Questions
8. Returns to Written Questions
9. Replies to Opening Address
10. Replies to Budget 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. Notice of Motion for First Reading of Bills
17. Motions
18. First Reading of Bills
19. Second Reading of Bills
20. Consideration for Committee of the Whole and Bills and Other Matters
 - Tabled Document 52 - 2(2)
 - Bill 8
21. Report to Committee of the Whole
22. Third Reading of Bills
23. Orders of the Day

Thank you.

Speaker (interpretation): Thank you. The House stand adjourned until Friday, March 04, 2005 at 10:00 a.m.

Sergeant-at-Arms.

>>*House adjourned at 19:05*

