



Building a Brighter Future:

A Look Ahead at Infrastructure Plans for the NWT

**Delivered by NWT Chamber of Commerce Vice-President Eitan Dehtiar
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Overview

1. Who is the NWT Chamber?
2. Examining the federal economic stimulus package and its effect on infrastructure in the NWT
3. How will the stimulus package benefit industries operating in the North?
4. Reducing regulatory barriers for future development: Lessons learned from the Mackenzie Gas Project review process
5. What improvements to infrastructure will help development of projects in the North?
6. Questions





Who is the NWT Chamber?

- Established in 1973
- Represent the interests of over 865 businesses
- Operate in association with community chambers:
 - Fort Simpson
 - Behchoko
 - Fort Smith
 - Hay River
 - Norman Wells
 - Northern Aboriginal Business Association
 - Yellowknife





Who is the NWT Chamber?

As the only pan-territorial voice of business, our members work in the following sectors:

- Oilfield services
- Camps and catering
- Education
- Transport and logistics
- Tourism
- Lodging
- Mining
- Aviation
- Law
- Publishing
- Financial services
- Utilities
- Property rental
- Vehicle sales and repair
- Heavy equipment sales
- Construction
- Pipelines
- Agriculture
- Environmental services
- And many others





The Federal Stimulus Package



To understand how the Federal Government's Economic Action Plan will benefit the NWT, it's important to first discuss the current state of our infrastructure and the construction industry





The Federal Stimulus Package

Another four communities – Lutsel K'e, Sachs Harbour, Uluhaktok (formerly Holman) and Paulatuk (pictured here) – currently have no overland links and rely solely on air and barge transport for resupply





The Federal Stimulus Package

We have six existing pipelines with the largest being Enbridge's 870-km oil pipeline running from Norman Wells to Zama, Alberta



Our most lucrative known reserves – more than 1.8 trillion cubic metres of natural gas in the Beaufort-Delta region – remain trapped with no connection to southern markets





The Federal Stimulus Package

We also have a labour market highly levered to construction activity with the industry employing some 1,600 individuals representing about 6.7% of the total workforce based on 2006 Census information





The Federal Stimulus Package

With all of that in mind, some of the highlights of the federal spending plan for the NWT include:



\$50 million over two years in dedicated funding to support the renovation and construction of social housing units through the Canada Mortgage and Housing Corporation





The Federal Stimulus Package



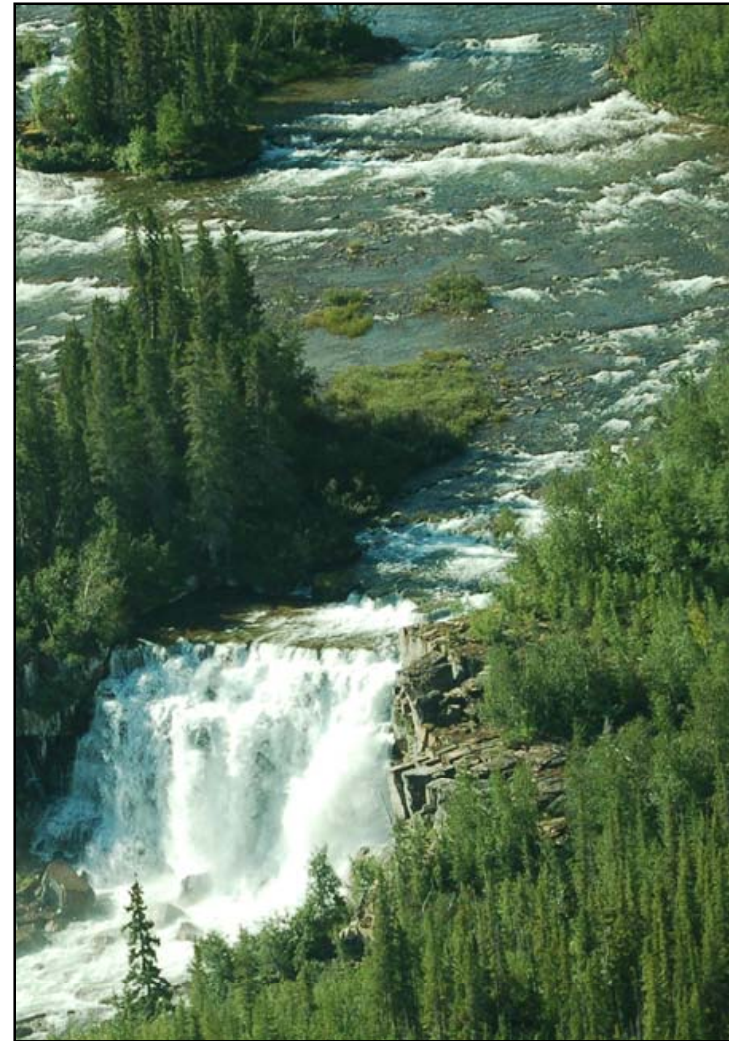
Up to \$200 million on a cash basis to dredge the approaches and accelerate the repair and maintenance of harbours across Canada, including core harbours in the NWT such as the one in Tuktoyaktuk (pictured here)





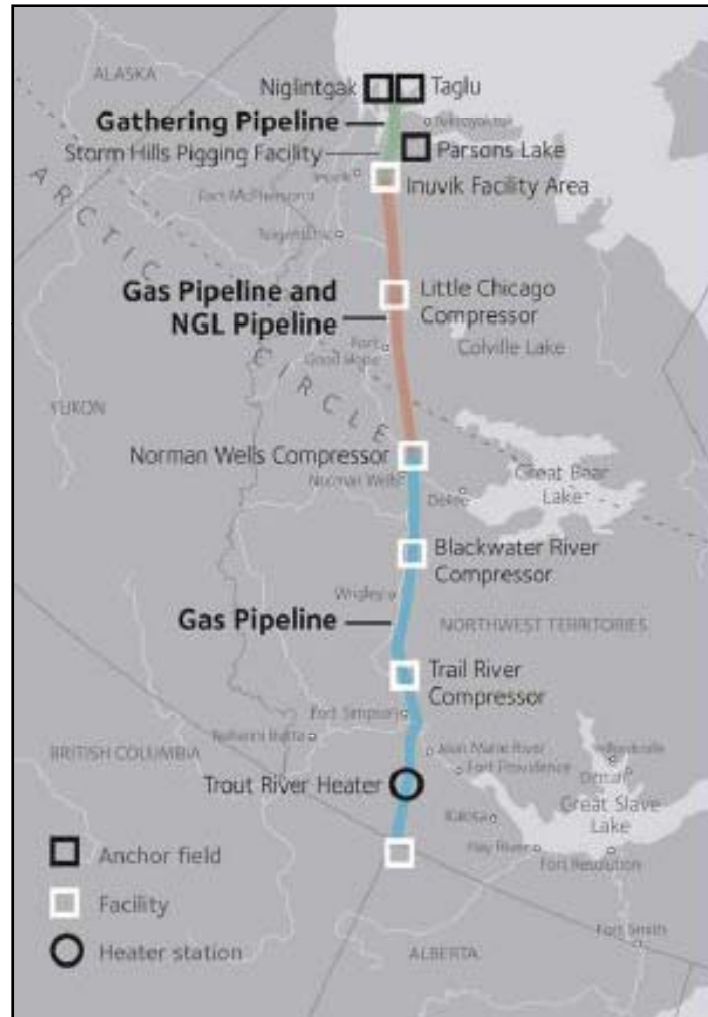
The Federal Stimulus Package

\$1 billion over five years to support clean energy technologies – including hydro electric development





The Federal Stimulus Package



\$37.6 million in 2009/10 to departments and agencies in support of environmental assessments, regulatory coordination, science, and Aboriginal consultations related to the Mackenzie Gas Project





The Federal Stimulus Package



A \$90-million, five-year extension to the Strategic Investments in Northern Economic Development program and a commitment to spend \$50 million over the next five years to create a regional economic development agency for the North





The Federal Stimulus Package



Acceleration of Building Canada funds which are in part being used to fund the \$160 million Dehcho Bridge across the Mackenzie River at Fort Providence





The Federal Stimulus Package



Building Canada funds are also helping to advance a first step towards the completion of an all-weather Mackenzie Valley Highway – over the next 12 months the \$10-million Blackwater Bridge is being constructed





What's the benefit for industry?



The Economic Action Plan helped the GNWT allocate a record-setting \$246 million for capital spending this year, which is keeping construction firms busy while private projects, such as mine construction, are on hold





What's the benefit for industry?



The Economic Action Plan included a temporary one-year extension to the 15 per cent mineral exploration tax credit which has assisted junior mining companies in their efforts to raise capital





What's the benefit for industry?



Approximately \$60 million has been proposed for developing alternatives to diesel-generated power over the coming years, including \$17.5 million already approved for the 2009/10 fiscal year





What's the benefit for industry?



With oil and gas exploration all but stalled around the Territories, sadly this critical driver of the economy has seen little direct benefit to date





Reducing regulatory barriers



The Joint Review Panel's examination of the \$16.2 billion Mackenzie Gas Project – which began in 2004 and isn't expected to result in a published report until December – has taught us many lessons about regulation in the NWT





Reducing regulatory barriers



The biggest thing we learned from the JRP is that industry needs certainty before it is going to invest further in exploring or developing NWT resources





Reducing regulatory barriers



The NWT Chamber of Commerce has been working with the Chamber of Mines and Construction Association to lobby all levels of government for 13 critical changes to the regulatory regime that would result in certainty for business in the North





Reducing regulatory barriers

These 13 shared priorities include:

1. Completing land use plans
2. Clarifying consultation requirements
3. Ensuring board capacity
4. Setting performance measures related to timelines
5. Introducing water quality and effluent standards
6. Defining triggers for environmental assessment
7. Clarifying of enforcement responsibilities
8. Commissioning a second NWT environmental audit
9. Introducing surface rights legislation related to land access
10. Ensuring timely board appointments
11. Clarifying problem policy areas for boards
12. Developing a defined protocol for ministerial reviews
13. Coordinating federal responsibilities through a made-in-the-North equivalent of the Major Projects Office



What infrastructure is needed



Far and away the most needed piece of infrastructure in the NWT is the Mackenzie Gas Project

The 1,220-km basin-opening pipeline would inject an estimated \$2.4 billion into the territorial economy during construction and an ongoing \$145 million annually once operational

These figures do not even include benefits from the anticipated increase in exploration activity that would result





What infrastructure is needed

According to the GNWT, an extended all-weather Mackenzie Valley Highway would spur development in the petroleum industry and generate the following:

- A boost of up to \$58.9 billion to national GDP
- Over 86,000 person-years of employment, with over 71,118 of these outside the NWT
- Up to \$15 billion in government revenues with the majority of this flowing to Ottawa





What infrastructure is needed

The \$350-million expansion of the Taltson hydro facility and 700-km transmission line to the Slave Geologic Province where the diamond mines are located is expected to result in:

- A 74-megawatt capacity up from the current 18 megawatts
- Extended mine life through reduced operating costs
- Increased mine construction through lower development costs
- 400 construction-related jobs
- A 320-kilotonne reduction in greenhouse gas emissions





What infrastructure is needed



Long-term, constructing more links to resource-rich areas, such as the development of an all-weather road through the Tlicho region or a year-round highway into the Slave Geological Province, would spur mine development and exploration activity while reducing operating costs for many businesses in the NWT





Questions?



Northwest
Territories Industry, Tourism and Investment

The NWT Chamber of Commerce would like to thank the Department of Industry, Tourism and Investment for assisting us to participate in this event

