

Chamber of Mines News Briefs – September 25 - 26, 2012

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NUNAVUT NEWS

Tackling the issues

Lack of progress frustrating for some at annual mayors meeting

Kivalliq News – September 26, 2012

Darrell Greer

Some community leaders were happier with what they heard than others at the Kivalliq Mayors Meeting in Rankin Inlet this past week.

The mayors met from Sept. 18-20, with the list of presenters including the Government of Nunavut (GN), mining and airline industries, Nunavut Planning Commission, Municipal Training Organization, Keewatin Business Development Centre and the Nunavut Association of Municipalities.

A number of Manitoba delegates also made the trip so a meeting of the Hudson Bay Round Table could be held at the event.

Arviat Mayor Bob Leonard said he was disappointed with the lack of information in some areas.

He said the presentation on solid waste disposal was, pretty much, a waste of time itself.

"We don't seem to be moving forward on anything, and there's no projects being started to clean up the dumps or offer any solutions to all our garbage woes," said Leonard.

"There wasn't any information because we're not really going anywhere.

"We're studying it - still."

Leonard said the airlines are working hard in battling for their customer base.

He said that market appears to be doing well, and the mayors are increasingly optimistic over the news surrounding the Meliadine gold project near Rankin.

"They seem to be continually finding more ore there, so that's great to hear.

"We also had a presenter on the whole idea of improved family and mental-health services.

"But I didn't really get a sense we're moving forward at the pace the communities are asking for.

"I am looking forward to trying this new system of a separate Social Services, because it may produce results and we're desperate for services."

Leonard said solid-waste management and a lack of family services were Arviat's two main concerns heading into the meeting.

He said more has to be done quickly to provide services like family counselling and support for those suffering from mental illness.

"We also have a big problem with our dump in Arviat.

"Everyone's been saying our dump only has two years of life left in it for the past 10 years.

"We've managed to burn, compact and whatever to keep it going, but we have a huge issue with contaminated soil around a large metal dump.

"It's stopping our town from expanding into a nice area, and we seem to do the same things over and over without any improvements on the way we handle our waste."

Leonard said federal regulators are starting to pressure Nunavut on the state of its dumps.

And, he said, that may not be a bad thing.

"Communities are being pressured to start following the law, as strange as that may sound.

"I don't know how long they'll let communities continue these current practices until somebody starts handing out fines.

"They want us to start complying and that's, globally, a \$500,000-million problem for the GN.

"We need to start tackling it one project at a time so we can, at least, get on with something."

Coral Harbour Mayor Jerry Paniyuk said he found the meetings helpful and informative.

He said it's always better to meet face to face with GN ministers, and he was a little disappointed only Community and Government Services Minister Lorne Kusugak attended the meeting.

"Overall, I was pretty happy with the way the meetings went and they were definitely worth my while to attend," said Paniyuk.

"I was disappointed with some information I'd asked Calm Air for.

"I wasn't quite happy with the response, but they're going to get back to me and e-mail me the answers to my questions.

"I was told they had to look into my concerns a bit more and look at the report from their workers before getting the answers to me."

Paniyuk, who is in the first year of his three-year term as Coral mayor, said his community doesn't have many waste concerns, as its dump facility is fairly new.

He said a big issue for Coral right now is the Kerchoffer Bridge, which allows hunters to cross the Kerchoffer River.

"We badly need the money to fix the bridge because it almost got washed out last spring.

"It's about eight kilometres outside of Coral and an important access for hunters.

"It's very difficult for hunters to get where they need to go if that bridge is not accessible.

"Really, instead of repair, we need a bigger bridge built closer to town because this one gets washed out almost every year during the spring melt and runoff."

Mayors in Nunavut's Kitikmeot region say they'll bring their beefs to Iqaluit

After no-shows by Nunavut's politicians, Kitikmeot mayors plan Iqaluit meeting in 2013

Nunatsiaq News - September 25, 2012

JANE GEORGE

CAMBRIDGE BAY — When the mayors from the Kitikmeot region in western Nunavut met earlier this month in Cambridge Bay, they were grumpy: no one from the premier’s office or cabinet, except Lorne Kusugak, the minister of Community and Government Services, attended, despite invitations to the three-day event.

So next year, the mayors have decided not to let other Nunavut leaders off the hook. On Sept. 13, the final day of their meeting, the mayors resolved to meet in Iqaluit next fall — three days before the Many of the mayors’ resolutions concerned issues that the Government of Nunavut deals with.

The mayors asked that:

- the GN hear their concerns over “inequalities” in how hamlets receive money for their operations and speed up the delivery of its contribution agreements;
- the GN provide capital funding so there are “adequate” hamlet office buildings, recreational centres and garages, as well as modern airport terminals in each Kitikmeot community;
- the GN build more staff housing in the region because “community services are suffering because of the lack of staff housing;”
- the GN specifically build more staff housing to fully staff the Kitikmeot Health Centre in Cambridge Bay and that the GN build a boarding home in Cambridge Bay for Kitikmeot patients who receive treatment at the centre; and,
- the GN’s health and social services and education departments set up a sex education program for teenagers, because “due to the high teenage pregnancy rates, young parents are unable to stabilize their lives and become productive members of communities.”

The mayors were also concerned with solid waste management in the Kitikmeot.

In Gjoa Haven, the landfill is overflowing and “creating a huge mess in and around the community.” They want the GN, and the Northern Transportation Company Ltd., and hamlets to start a back haul program to bring waste to southern recycling centres — a project that NTCL is willing to support.

SSI dumps on Northwestel’s modernization plan

“They’ve come up with a half-cocked proposal”

September 25, 2012 - 6:14 am

JIM BELL

One of Northwestel’s biggest competitors in northern Canada, the SSI Group, wants the CRTC to kill a Northwestel proposal to build fast wireless and beefed-up internet services for consumers across the three territories.

Under the plan, presented to the CRTC this past July 3, Northwestel would use \$40 million from a “public benefits” fund to be created by its parent company, BCE Inc., the owner of Bell Canada

That fund would flow from BCE’s proposed \$3.4 billion purchase of the Astral Media Inc. empire, which controls numerous English- and French-language television channels and radio stations.

Under CRTC rules, BCE must set aside 10 per cent of the purchase price for a “public benefits” fund to pay for things the free market cannot normally supply.

The SSI Group competes with Northwestel by way of its Qiniq internet service in Nunavut and its Airware service in the Northwest Territories, and also plans to offer an internet-based voice-phone service in Nunavut.

Earlier this month, they told the CRTC that Northwestel’s proposed use of the \$40 million is for the benefit of Northwestel and Bell Canada, not the public.

“If money set aside for the public good is used to allow the largest player in the market to beef up its assets to compete with other players in the market, that, on the face of it, is an unfair use of public benefits,” Dean Proctor, SSI’s chief development officer, told Nunatsiaq News in an interview.

In its pitch to the CRTC, Northwestel said they would use \$40 million from its parent company’s Astral benefits fund to pay for part of a \$273-million, five-year modernization plan.

Under it, Northwestel would offer either 3G or 4G wireless service in all 96 communities it serves, which means residents of every community in the three territories would be able to use smart phones and tablet devices that run on the Apple or Android operating systems.

And in 79 currently under-served communities, Northwestel would offer broadband internet at download speeds of at least 5 Mps.

But SSI, in its submission to the CRTC, said BCE and Northwestel have not proven that these highly-sought-after services would even be affordable for northern residents.

“It’s wonderful to have the latest technology and the latest infrastructure available. But it’s another thing to be able to afford to use it. The bottom-line is, they’ve come up with a half-cocked proposal,” Proctor said.

Proctor said the “real issue up north” is not the cost of communications infrastructure, but the cost of satellite transponder space.

For example, he said the wireless modems that SSI supplies to Qiniq customers in Nunavut are capable of combined download and upload speeds of up to 6 Mbps.

“If we opened those things up, you could be uploading and downloading like crazy. But nobody could afford to do that. Everybody would go bankrupt before they knew what happened,” Proctor said.

And Bell has not indicated in its proposal how satellite costs, under its proposal, could be made affordable, Proctor said.

“They don’t have a solution for it,” he said.

As for Northwestel’s plan to put in highly-touted 4G equipment, Proctor said SSI’s system is already capable of those speeds — but no can afford to pay for them.

And in SSI’s opinion, that means Nunavut residents will continue to require subsidies and that an entirely new system ought to be designed, Proctor said.

Another big objection to Bell’s proposed use of the Astral public benefits fund in northern Canada is that such money’s are normally used to pay for things like independent television production, Proctor said.

NWT NEWS

NWT open for business, premier tells China during trade mission

Northern Journal – September 25, 2012

Meagan Wohlberg

Whatever China is looking for, the Northwest Territories has got it. That was the message Premier Bob McLeod wanted members of government and business to take away from his trade mission to China last week with a group of Canadian premiers and business delegates.

Diamonds, furs, gold, minerals, oil and gas, tourism - even hydro - all are up for grabs for Chinese investors if they want it, McLeod told China's business industry in Beijing and Shanghai. "The Northwest Territories welcomes foreign investment in our territory," he announced during a premiers' panel at the Canada Chinese Business Council. "The Northwest Territories' economy has been built on luxury items -

furs, gold and now diamonds...Today our mineral resources are still our biggest asset and represent the best investment opportunity for China. More oil and clean natural gas deposits are being found every year. And the Mackenzie River has some of the best underdeveloped hydroelectric resources in North America." McLeod told The Journal the goal of the announcement was to gauge the amount of interest in different sectors.

"We understand, and it was reinforced in China, that the Chinese have a lot of capital to invest in different projects, and so we wanted to determine the amount of interest that there was," he said. "It was more in general terms; it wasn't specific."

Though concern has been raised over foreign ownership in Alberta's oilsands as investment and company buy-outs by the Chinese grow, McLeod said he doesn't expect the same worries to arise in the North. "If we can't find partners to invest in the North and the Chinese are willing to do so, I think we'd obviously want to see that," he said. "We'd obviously need some clear rules of engagement and we would expect some reciprocity when and if we invest in China, as well." According to the premier, the majority of Chinese interest currently lies in oil and gas, as well as mining.

"There was interest in rare earth, gold, silver and, obviously, diamonds as well," he said. "There was quite a lot of interest expressed, there were requests for more information and there were indications that some of the leaders were interested in setting up groups to look up potential for investments in the Northwest Territories."

While in China, McLeod and the other premiers met with leaders in the Chinese government, including the vice premier, ministers and the vice-mayor of Shanghai - China's foreign investment capital. McLeod and his entourage of business delegates also took the opportunity to set up side meetings, including a visit to the Suntech solar panel manufacturing facility in Shanghai, which is seen as an option to decrease communities' dependence on diesel in the territory.

"This is an area we'd like to do a lot more of in the Northwest Territories to reduce our reliance on fossil fuels," McLeod said. Other meetings addressed mining, oil and gas, diamonds, tourism, and a special emphasis on wild furs. China has bought 60 per cent of wild furs from Canada in the last few years. "A lot of people wear fur. Animal rights haven't made significant inroads into China," McLeod said. "The message is very clear that they want us to increase our production, and I think in the last few years, the price of fur has increased because of the Chinese uptake of Canadian wild furs."

Accompanying McLeod were president and CEO of Avalon Rare Metals Don Bubar, CEO of Fur Harvesters Auction Inc. Mark Downey, Verda Law of Yellowknife Tours and Blatchford Lake Lodge's tourism contact in China, Huizhong Yang, along with various government officials. "I think all the members of our business delegation were very pleased and thought it was a very worthwhile trip, and I think they see a lot of opportunities for business," McLeod said.

Deline concludes self-government talks

Northern Journal – September 25, 2012

Meagan Wohlberg

History was made last week as Deline became the first Sahtu community to complete negotiations with the Northwest Territories and Canada on its self-government agreement.

Negotiations were sparked when the Sahtu Dene and Metis achieved their comprehensive land claim in 1993, which provided for individual communities to apply for self-government. Though self-government negotiations began in 1996, an Agreement in Principle (AiP) was not signed until 2003.

Chief negotiator for Deline, Danny Gaudet, said the agreement has not strayed much from the AiP, giving the community more than it bargained for. "Generally we got more than we anticipated, so we're happy," he said. Gaudet said he expects that membership, including about 1,100 beneficiaries - 600 residents of Deline and approximately 500 Sahtu Dene and Metis residing elsewhere - will support the document. "I think generally people will like the agreement," he said.

"It does work towards something the community's always asked for, basically that the community acts on one vision, one idea and one plan...It should make the community more effective and more efficient. It also gives the ability for the community to be able to work together, not on a fragmented basis - all goals of the principle of being an Aboriginal person, where you're sharing, you're working together, you're helping one another. Based on that, I'm thinking, who wouldn't want that as a government? And I'm confident that people are going to want it."

Each party still has work to do internally before signing off on the document and sending it to be ratified. Gaudet said he expects that will take a few months. Following that, there will be education on the agreement to ensure people understand what they're voting on, which could take another year and a half. If the agreement is passed, there will be an election for a new leader and council of eight to 12 governors, which will replace the Deline Band and hamlet.

An elders council will also be established as an advisory group to the main council. Director of negotiations for the GNWT Fred Talen said the end to negotiations is the beginning of the final stages toward establishing the first standalone, community-based self-government in the territory - something all parties want to see ratified successfully.

"The texts of the self-government agreement, the financing arrangements and the implementation plan, what we would call the final agreement package, is complete from the negotiators' point of view. There are no other issues remaining and our formal negotiations are concluded," he told The Journal. "We're at the final stage leading to the - hopefully - ratification of the agreement."

He added that the agreement may be of assistance to the rest of the Sahtu communities currently negotiating their own self-governments. "For the NWT, this is the first community-based self-government agreement, so it's breaking some ground there and perhaps setting some precedents there," he said.

Talen said the scope of the agreement and the powers it gives were some of the reasons it took 16 years to conclude. "I think there's approximately 30 chapters in the draft self-government agreement," he said. "So there's a lot of subjects to cover over the course of negotiations and to be addressed in the agreement." The agreement gives the new Deline government jurisdiction over health, social services, lands, education, justice, economic development and local government activities. Gaudet said the goal of self-government is to return the community to its past strength and self-reliance.

"Since I was a kid in the 70s, 80s and even in the 60s, you kind of look at how we've been changed from a strong, independent, self-reliant group of people who relied on the land and the resources it provided to survive. Now, if you describe us today, well, we're not independent - we're dependent," he said.

"We're going to try to reverse that by making people independent again and strong and vibrant, educated, strong in their culture and language, but also participating in the modern world."

Gaudet said the goal is to have the community come together so that the areas of health, education and justice are not working in solitude, but under a unified vision. "Part of the problem with the system right now is, with the way it's structured and policies are developed, we don't have any linkages between different departments," he said.

"For me, if you're going to have justice, you need a healthy community. How are you going to have a healthy community? Well, you're going to need strong recreational programs, strong health programs, there should be strong housing programs to make people happier." A justice council will be established

as part of the new government, as well, which will work broadly with other sectors on crime prevention and health. "Having control over all of these programs will allow us to support the justice program and work more towards prevention, rather than reacting to the problems," Gaudet said.

"You can fix the problem before it actually happens and have strong, healthy families; then you would not need the justice system." Gaudet said it's going to be an even longer road for those changes to occur, but that the process of becoming a healthy self-government is - and has been - worth the wait.

"I don't see it happening overnight. It'll take us five, 10, 15 years. But the reality is that we have to start somewhere. If we don't start, we're in trouble. We're already in trouble," he said.

Devolution and trust

Northern Journal – September 25, 2012

Canada struggles perpetually with its two solitudes - a dual nation where one partner is an unhappy participant. The specter of Quebec going it alone oversees all we do as a nation. The Northwest Territories suffers a similar, albeit multifaceted, angst.

Will it ever be resolved that First Nation governments strike a bargain with the NWT government forming a happy partnership where all willingly participate? The GNWT is hell-bent on the devolution of powers from Ottawa so Northerners will garner provincial-like powers and be able to make decisions about the future of their land, water and resources.

At the same time, many First Nation governments fear devolution. They have little say over what happens with their future now, but at least they feel they retain traditional rights to look after their own affairs and have control over wildlife. They are concerned that if decision-making power is handed off from Ottawa to the Territorial Assembly, those rights will be eroded.

Danny Gaudet, chief negotiator for Deline self-government, spoke in a Journal interview about what he feels communities need to enhance quality of life. What he said is all about understanding the community and its problems in order to resolve them.

Danny Gaudet - in his own words: Right now we have a justice council, and part of the problem with the system is that the way it's structured and policies are developed, we don't have any linkages between different departments. Like, for me, if you're going to have justice, you need a healthy community. How are you going to have a healthy community? Well, you're going to need strong recreational programs, strong health programs, there should be strong housing programs to make people happier.

So a justice program, having control over all of these programs will allow us to support the justice program and work more towards prevention, rather than reacting to the problems. You can fix the problem before it actually happens and have strong, healthy families; then you would not need the justice system. You need more youth programs, more cultural programs, more elder programs. So justice for us is about prevention.

Right now, we're reacting to all the issues because we don't know who's going to commit a crime, and then we've got to try to understand why they committed a crime, and most of the time these guys are going to jail. Well, can we head that off before it actually happens?

Same thing with the health system, we're always reacting to people getting sick. Can we keep people from being sick? Can we keep them from getting diabetes or cirrhosis of the liver, all these sorts of things? Well, we probably could, but it's going to take a community approach, it's going to take education, it's going to take training. So we have the education system under our belt now, no problem. We'll design programs, we can head these issues off.

Obviously Danny Gaudet is a leader with vision and foresight. Will devolution provide the type of community control that he feels is imperative to making things right? The challenge of the NWT

government is to prove theirs is the right path - to assure and engage people like Danny Gaudet that devolution will result in power accruing to First Nations and communities so they are able to make the necessary changes at the ground level to improve quality of life.

The option, what is justifiably feared, is that there will be a bureaucratic Yellowknife-centric regime imposed and people who do not have a clue about what is needed at the local level will be the ones making all the decisions about peoples' lives and the future of communities.

First Nation governments are right to be concerned. The NWT government is right that government from Ottawa is undesirable, but for its part, something meaningful has to be offered that assures local control in order to earn trust.

RESOURCE DEVELOPMENT AND ENERGY NEWS

More jobs cut at Diavik

Workforce fluctuations continue as Diavik Diamond Mine becomes fully-underground operation

Yellowknifer – September 26, 2012

Thandiwe Vela

Twenty-eight jobs are being cut at the Diavik Diamond Mine, following another workforce reduction at the mine announced earlier this month.

The latest cuts come from across the mine's departments, including 17 Diavik employees, eight layoffs for Diavik contractor Tli Cho Logistics Ltd., and the layoff of three Bouwa Whee Catering Ltd. temporary employees.

More workforce reductions are expected at Diavik after the mine completed its transition this month from a mostly open-pit operation, into a more expensive, more equipment-intensive, fully-underground operation.

"It is a transition -- an important transition that we're going through as a business, and one which we can't ignore," said Niels Kristensen, Diavik Diamond Mines Inc. president and chief operating officer, noting the pricier underground mining operations also come with lower productivity than open-pit mining. "We can't carry on business as usual under that scenario."

"We have to keep looking at how we can work smarter and work more efficiently--which is the work that we're doing.

"There could be some further impacts on people, that is something that any business on an ongoing basis will always look at, to try and be more efficient," Kristensen said.

Operational improvements have been made across all departments at the mine, Kristensen said, in an effort to reduce the impact on employees.

The mine's workforce has fluctuated greatly over the last three years, including the addition of 400 jobs at Diavik as the operation ramped up underground mining and continued open pit mining--reaching a peak workforce of about 1,200.

As open pit operations drew to an end, 145 open pit jobs were cut over the past two years, from the mine's Inuit and Dene Company (I & D).

Diavik announced earlier this month that alternate jobs had been found for all but 26 of the 145 laid-off employees and that number had decreased to just 16 I & D employees out of work as 10 more had been placed in jobs as of last week.

"The closure of the open pit has been a big success story in terms of managing that transition from 145 -- to at the end of the day -- 16 that we could not find alternative roles for," said Kristensen.

The 28 job cuts are in addition to the I & D layoffs, and come as the mine also faces challenges with market diamond prices for the industry.

"At the moment, we're all going through a pretty tough time," Kristensen said. "At the end of the day, it's a combination of external factors like diamond prices, and internal factors like our change to the underground operations and the challenges associated with that. It's a combination of those factors and it just means we have to keep on looking at how we can improve. Its about ongoing ways of looking at how we can improve the business, and make the business more efficient and offset some of these pressures that we're under."

Longer-term fundamentals are "very strong" for the diamond industry, Kristensen said, noting the demand for diamonds is expected to exceed supply in the longer term.

"We've got a very strong future for us," he said. "We've got a business which is employing over a thousand people, a business which is providing billions of dollars of benefits to the North, to Northern companies and other Northern businesses, and a business that is here for many, many years to come. What we're doing is to ensure that this business is strong and thriving."

According to the latest life-of-mine plan, Diavik, which is currently valued at \$2.6 billion, is expected to continue production into 2023, on condition of the development of its fourth kimberlite pipe, A-21.

Approval of A-21, which will cost more than \$500 million to develop, is expected to be passed by the end of the year.