



THE HON. MARGARET DAWN ANDERSON, NWT THE HON. PAT DUNCAN, YUKON
THE HON. DENNIS PATTERSON, NUNAVUT

The Hon. Bill Morneau,
Minister of Finance

Delivered by email to: Marion.Pilon-Cousineau@canada.ca

April 9, 2020

Dear Minister Morneau,

We write to you today with an urgent request to ensure that the proposed wage subsidy in *Bill C-, A second Act respecting certain measures in response to COVID-19* does not exclude major industries and sectors in the territories, and throughout rural and northern Canada.

We feel that these concerns can be addressed by a series of amendments to the bill.

As a result of stakeholder and territorial government engagement, we believe that there is a critical gap in the proposed legislation. Non-revenue generating businesses such as mineral exploration companies, junior mining companies, construction companies, the seasonal hospitality industry, and Indigenous businesses involved with the active resource sector must invest a large amount of capital without any traditional revenues raised as described under “eligible revenue” in the bill. The continued cashflow of these companies is integral to the long-term health of local and territorial/provincial economies.

An extension of eligibility for these entities would support companies throughout Canada. We propose that this could be achieved by **adding a third formula to Part 1, c.2(2)**. A third formula could calculate eligibility based on a reference period of 1 year, namely 2019, and include projected revenue for 2020, based on year over last. Consequential amendments to the definitions section as further described below would also be required.

Companies and start-ups who traditionally rely on market capital to fund their expenses may also be excluded due to the prescribed periods potentially not aligning to funding drives in the reference year. This would include, and not be limited to, companies in the mineral exploration field, junior mining operations, as well as the technology sector.

To address these concerns as well as the concerns of businesses that carry out non-revenue generating programs, amendments **to the definitions of “prior reference period” and “qualifying revenue”** would be required.

Finally, the bill does not take into account the unique business season in the North. Many companies would ordinarily be ramping up activities in the north as the weather improves. While we recognize there is a section that allows for “prescribed periods” in the both the



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qualifying periods and the reference periods, as well as a “prescribed percentage” related to those prescribed periods, there is no legal comfort or certainty for operators.

Many businesses, especially exploration and development companies, are currently looking at short to medium-term plans, which includes whether or not to go forward with currently planned, or reduced programs in the North. Without certainty now, these businesses could well decide to suspend activities in the North, leading to a massive decline in planned growth and revenue-generation for local economies. Additionally, this would have a direct effect on secondary and tertiary sectors supporting these businesses such as the construction, transportation and hospitality sectors.

Therefore, we would urge the government to further **amend the definition of “qualifying period” to add additional periods until the end of the Minister’s emergency powers in Part 2, namely September 30, 2020, and add corresponding “reference periods”** as required. This would enable the inclusion of these businesses and provide the legal certainty required to continue with planned or, at the very least, reduced summer programs. to enable the inclusion of these businesses and provide the legal certainty required to continue with planned or, at the very least, reduced summer programs.

We appreciate your attention to this urgent matter.

Regards,

Sen. Margaret Dawn Anderson

Sen. Pat Duncan

Sen. Dennis Patterson

- cc. Hon. Dan Vandal, Minister of Northern Affairs
Hon. Mona Fortier, Associate Minister of Finance
Hon. Caroline Cochrane, Premier, Northwest Territories
Hon. Joe Savikataaq, Premier, Nunavut
Hon. Sandy Silver, Premier, Yukon
Larry Bagnell, MP, Yukon
Michael McLeod, MP, Northwest Territories
Mumilaaq Qaqqaq, MP, Nunavut