

B R I E F

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**STANDING COMMITTEE ON INDIAN AND NORTHERN
AFFAIRS**

REGARDING

**NUNAVIK MARINE TRANSPORTATION
INFRASTRUCTURE PROGRAM**

Presented By:
Makivik Corporation
-and-
Kativik Regional Government
November 19, 1998

NUNAVIK MARINE TRANSPORTATION INFRASTRUCTURE PROGRAM

The James Bay and Northern Quebec Agreement (hereinafter the "J.B.N.Q.A.") signed twenty-three years ago almost to the day by the Government of Canada and representatives of the Inuit of Nunavik contains an entire chapter devoted to Inuit Economic and Social Development. Included in this chapter is a section relating to marine infrastructures for each community in Nunavik, namely:

"29.0.36 Canada and Quebec shall, together with the respective Inuit communities, undertake, as soon as possible, and in accordance with the funds available, studies respecting the establishment of seaplane bases and public wharfs, airstrips, navigational aids and docking facilities, including access road and streets in each community. Such studies shall involve the Regional Government as soon as it is established."

More than twelve years elapsed from the signing of the J.B.N.Q.A. when, pursuant to the 1985-90 Canada-Quebec Subsidiary Agreement on Transportation Development, without any consultation with the Inuit of Nunavik, Quebec commenced the construction of small off-loading pads in two communities of Nunavik to facilitate the government's own sealift operations. The construction of these "quasi-wharves" was halted in 1988 at the request of the then Chairman of the Kativik Regional Government who had been informed by Quebec government officials that such construction would fulfill any obligation they may have had under section 29.0.36 of the J.B.N.Q.A.

As a result of these protestations, a "Canada/Quebec/Inuit Marine Transportation Committee" was created, which committee toured all fourteen communities of Nunavik in February 1989, meeting with and interviewing mayors, councilors, members of Landholding Corporations, hunters and fishermen as well as other interested parties such as shippers, carriers, store managers, etc. The findings of the Working Group were collected in a Report authored by Mr. Jacques Brouard from Transport Canada and published in June 1989.

The concerns of Nunavik residents were uniform throughout the fourteen communities. The provision of a marine infrastructure program for Nunavik must ensure:

- a) improved navigational safety conditions in a region where marine navigation remains an essential mode of transportation;
- b) improved conditions of access to water for villages where large tidal fluctuations impede the capability of residents to navigate most of the time;
- c) improved sealift operations and facilities in villages totally dependant on the sealift for the delivery of dry goods and heavy supplies;

- d) improve the economic outlook of coastal villages in terms of wildlife harvesting, tourism development, and inter-community trade, etc.

While the Working Group continued to meet following the issuance of the report by Mr. Jacques Brouard, neither the federal nor the provincial government representatives to the Working Group were mandated to resolve the marine infrastructure needs of residents of Nunavik.

On September 12, 1990, an Agreement respecting the Implementation of the James Bay and Northern Quebec Agreement (hereinafter referred to as the "Implementation Agreement") was signed between Canada and Makivik Corporation on behalf of the Inuit of Nunavik. Among other items, the Implementation Agreement contained an annex specifically relating to Marine Transportation (see Annex A attached). The said annex provides for the establishment of a Northern Quebec Marine Transportation Infrastructure Program including an implementation schedule, which program was to become effective no later than October 1, 1994.

Notwithstanding the terms of the Implementation Agreement, the appointment of a federal representative took time. A new "first" meeting of the Working Group was called on January 24, 1

1991 however federal officials still had no specific mandate and no budget within which to act, not even funding for travel. As a result the federal representative withdrew from the Working Group on April 3, 1991.

As a result of the lack of mandate of government representatives, a lack of funds to ensure adequate studies could be carried out, changes in personnel, shifting of responsibility for the marine infrastructures within departments and the failure of the federal and provincial governments to come to an understanding on funding for this project, two full years elapsed. It was not until January 1993 that Makivik was assured that studies to be funded by both the federal and provincial governments would take place to design the appropriate infrastructure on a community -by -community basis. Makivik was further assured that the federal and provincial departments were now fully involved in this work and that the study phase should lead directly to the implementation of the program.

Actual consultations and studies commenced during the summer of 1993 on three communities identified as representative of the marine conditions found in the other eleven communities in Nunavik, the communities selected were Quaqtaq, Puvirnituk and Kangiqsualujjuaq. The remaining eleven communities were to be studied during the summer of 1994 with a final report tabled to the Working Group in April 1995.

During this entire period, at various meetings with government representatives and consultants, the Inuit of Nunavik had been presented with computer enhanced models and maquettes of the type of facilities being proposed. Nunavik residents were led to believe that the entire program costing approximately \$120 million plus or minus 25% would most likely be implemented over a period of ten years or less.

Needless to say, through these community consultations, expectations had been raised not only of finally receiving the marine infrastructures foreseen in the J.B.N.Q.A. but also of the employment and economic development benefits such construction would have for the region.

Notwithstanding the extensive pre-feasibility studies which took place and which recognize the need for the construction of marine infrastructures in each of the 14 villages of Nunavik, implementation of the program was once again delayed. The Inuit party was informed that program funding for the construction of the marine infrastructures which had been available at the time of the signing of the Implementation Agreement was no longer available. While the parties had acknowledged that there was no guarantee as to the level of funding of the marine infrastructure program, there was an implicit acknowledgment through both the negotiations leading up to the Implementation Agreement and in the years subsequent to the implementation thereof that there would be some level or degree of

federal funding to enable creation of a marine infrastructure program for all of Nunavik.

It was not until May 1996 that the Working Group was effectively re-convened and whose mandate it would be to review the technical studies prepared for each of the fourteen communities with a view to reducing the cost of the program as well as to draft an Agreement between all parties with regard to the implementation of a marine infrastructure program for Nunavik. This mandate resulted in the scaling down of the marine infrastructure program from a cost of approximately \$120 million to approximately \$80 million in 1996 dollars plus or minus 25%. Moreover, throughout the balance of 1996 and until the summer of 1997, draft Agreements-in-Principle were prepared by the parties. The draft Agreement-in-Principle provided for the construction of an \$80 million program over a ten year period and contained key provisions with regard to the financing of the program, project management, hiring of Inuit enterprises and workers to carry out the construction work, amongst others.

Concurrently with the re-convening of the Working Group, a special finance sub-committee was created regrouping various departments and/or ministries of the federal government under the direction of the Department of Indian Affairs and Northern Development. The mandate of the sub-committee being to elaborate various scenarios and recommendations as to securing the actual funding required to meet the construction costs.

Once again, the Inuit party's expectations of obtaining adequate marine infrastructures and the hope of employment and economic benefits to the region were raised. In fact, so as not to lose an additional construction season and although the terms of a final Agreement-in-Principle had not been reached, the federal government approved and secured funding in excess of \$2 million towards the commissioning of technical studies, final drawings and specifications as well as environmental studies for the three communities initially studied, namely Kangiqsualujjuaq, Quaqtaq and Puvirnituq.

Funding for the technical studies was made available in equal parts through the Department of Fisheries and Oceans, Transport Canada and the Department of Indian Affairs and Northern Development. These three departments recognizing their obligation to the Inuit of Nunavik to proceed on the Marine Infrastructure Program agreed to inject \$1 million each year for a period of ten years (ie. a total of \$30 million). Further efforts were to be made to secure additional funding from other federal departments or agencies.

Throughout 1997, discussions with the federal representatives on the sub-committee regarding finance were based on the implementation of an \$80 million program. Negotiations continued with regard to the terms and conditions of an Agreement-in-Principle based on an \$80 million program, the draft form of which

was eighteen pages, covering all the various aspects of the program as previously mentioned.

It was not until December 23, 1997 that representatives of Makivik Corporation were convoked to a meeting with representatives of the Department of Indian Affairs and Northern Development and were presented with a two page Agreement to fund construction of marine infrastructures in communities to be determined for a total amount of \$30 million payable over a ten year period. The representatives of Makivik were informed that no additional funding was available and if not accepted, there was little doubt that the funds would not be available in the future.

The meeting of December 23, 1997 was followed by a letter from Minister Jane Stewart dated January 5, 1998 addressed to the then President of Makivik Corporation indicating that the Corporation had until January 9, 1998 to accept or refuse the terms of the December 23, 1997 agreement. The Minister did, however, recognize in her January 5, 1998 letter that the level of funding was insufficient to complete all of the projects identified in the program and indicated that her Ministry would continue to use its best efforts to identify additional funding.

Given the "take it or lose it" ultimatum, on January 19, 1998 amidst the power outages resulting from the ice storm of the century, the Inuit indicated its acceptance of funds as sufficient for the

construction of marine infrastructures in only three of the fourteen communities of Nunavik. The Agreement was signed in separate parts in the month of June 1998.

Makivik has, with the support of the Department of Indian and Northern Affairs Canada applied for funding in the amount of \$10 million to the Department of Regional Development for Quebec. While this process is ongoing, even if successful in obtaining such funding, same would be insufficient to complete the program.

CONCLUSION

The Inuit of Nunavik are a marine people who have traditionally and continue to this day depend on hunting and fishing as an important part of their diet. The extensive pre-feasibility studies conducted clearly demonstrate the need in all fourteen communities for improved navigational safety and access to water; improved facilities for sealift operations all of which will serve to improve the economic outlook of these coastal villages. It is unacceptable that only three of the fourteen communities will see their needs for marine infrastructures met.

The provision relating to marine infrastructure in the James Bay and Northern Quebec Agreement formed part of an entire chapter regarding Inuit Economic and Social Development. In a region of high unemployment and facing tremendous barriers for

economic development, the realization of a complete marine infrastructure program is essential. The job creation potential and economic spin-offs of the program are far-reaching.

It is our position that the Government of Canada has failed to fulfill its obligations regarding marine infrastructures for Nunavik as contemplated by the Implementation Agreement signed in 1990. It is our position that the inordinate delays in implementing a complete Northern Quebec Marine Transportation Infrastructure Program within the timeframe foreseen are solely the fault of Canada. The Government of Canada has acted in bad faith and has misled the Inuit of Nunavik since the signing of the Implementation Agreement with regard to the level of federal funding to enable the creation of a marine infrastructure program for all of Nunavik.

On behalf of the Inuit of Nunavik, we urge this Standing Committee to recommend to the Department of Indian and Northern Affairs that it must, on behalf of the federal government provide sufficient funding for the Inuit of Nunavik to ensure that a marine infrastructure program in accordance with the revised cost estimates prepared in 1996 of \$80 million plus or minus 25% is realized. The Inuit of Nunavik cannot accept a marine infrastructure program of "haves" and "have nots".

Annex A

Annex E regarding Marine Transportation
of the Agreement Respecting the Implementation
of the James Bay and Northern Quebec Agreement
between Her Majesty the Queen in Right of Canada
and Makivik Corporation
dated September 12th, 1990

MARINE TRANSPORTATION

1. Definitions:

- 1.1. "JBNQA": The James Bay and Northern Quebec Agreement, entered into on November 11, 1975, as amended from time to time in accordance with paragraph 2.15 thereof;
- 1.2. "JBIO": The JBNQA Implementation Negotiations Office established pursuant to Cabinet decisions, dated June 26, 1986 and March 24, 1988, for purposes of the JBNQA Implementation Negotiations, until the Office contemplated by paragraph 4.2 of this Agreement becomes operational and, thereafter, the said Office;
- 1.3. "Makivik": Makivik Corporation, the corporation established by the Act to establish the Makivik Corporation (R.S.Q., ch. S-18.1), and constituted as the Inuit Native Party for purposes of the JBNQA pursuant to paragraph 1.11 thereof;
- 1.4. "Inuit Negotiator": The person appointed by Makivik on March 8, 1988 to represent the Inuit of Quebec for purposes of the JBNQA Implementation Negotiations, or his successor;
- 1.5. "KRG": Kativik Regional Government, established pursuant to Section 13 of the JBNQA;
- 1.6. "MTQ": Quebec Ministry of Transport;
- 1.7. "TC": Transport Canada;
- 1.8. "NQMTIP": Northern Quebec Marine Transportation Infrastructure Program;
- 1.9. "F&O": Fisheries and Oceans Canada.

2. Agreement-in-principle:

To establish a Northern Quebec Marine Transportation Infrastructure Program including an implementation schedule, the Program to become effective no later than October 1, 1994.

3. Organization of the Working Group:

- 3.1. The Working Group shall consist of a representative appointed by TC, a representative appointed by F&O, a representative appointed by MTQ, a representative appointed by KRG and a representative appointed by Makivik. Each representative may be supported by such other persons as said representative may choose.
- 3.2. MTQ, TC, F&O, Makivik and KRG shall be responsible for their own costs related to the Working Group. Unless they agree otherwise, they shall bear equally the agreed in advance common costs related to the Working Group.

4. Plan of Action:

- 4.1. The Working Group shall meet and discuss how best to achieve the agreement-in-principle set out in Section 2 above.
- 4.2. The Working Group shall prepare a draft NQMTIP agreement between MTQ, TC, F&O and KRG which shall have as its purpose the achievement of the agreement-in-principle set out in Section 2 above.
- 4.3. The draft NQMTIP agreement shall include, but not be limited, to dealing with each of the following issues:
 - 4.3.1. the scope, framework and timetable of the appropriate studies to be undertaken;
 - 4.3.2. the general specifications of any marine infrastructure and related equipment to be built or purchased;
 - 4.3.3. a construction schedule;
 - 4.3.4. the technical responsibilities of each party to the Working Group with respect to the proposed NQMTIP;
 - 4.3.5. the duration of the NQMTIP agreement; and,
 - 4.3.6. the ownership, operation and maintenance, by Quebec and Canada respectively, of such infrastructure and related equipment as may be identified in the construction schedule referred to in 4.3.3 and the proposed financing related thereto.
- 4.4. Within twelve (12) months of the Order in Council approving this Agreement, the Working Group shall submit a draft NQMTIP agreement

to the necessary persons in MTQ, TC, F&O, and KRG, for their respective approval.

- 4.5. Within twelve (12) months of the Order in Council approving this Agreement, the Working Group shall also report to the JBIO and to the Inuit Negotiator any modifications to existing authorities, programs, services or federal-provincial agreements that would be necessary to implement the draft NQMTIP agreement, how said modifications would be effected, and whether any such recommendations would require specific Cabinet approval.
- 4.6. Within twenty-four (24) months of the Order in Council approving this Agreement, MTQ, TC, F&O, and KRG shall make known their respective formal decision on the draft NQMTIP agreement submitted to them in accordance with the provisions of paragraph 4.4 above.

It is acknowledged that there is no guarantee as to the level of federal funding of the NQMTIP and, furthermore, that Canada would fund its share of the financing of any approved program out of normal Canadian program funding or out of any funding arising from special Canada-Quebec agreements or arrangements related to or including such Program.

5. Implementation:

- 5.1. The JBIO shall oversee the various steps set out above in paragraphs 4.1 to 4.6.
- 5.2. The JBIO shall oversee the implementation of the NQMTIP agreement in the event that it is approved by the appropriate authorities.