



**Arctic
Co-operatives
Limited**

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October 24, 2019

Nunavut Impact Review Board
P.O. Box 1360
Cambridge Bay, NU X0B 0C0
Delivered via email

NIRB File: 08MN053

Dear Madame Chair,

The purpose of this letter is to communicate the scope of economic impacts with respect to the matter of Baffinland Iron Mines (BIM) proposed phase 2 expansion under consideration by NIRB under file # 08MNN053 for the Mary River Project on Arctic Co-operatives Limited and the broader Co-op System.

Co-operatives, regardless of geography or industry, are typically the product of market failure, whereby the private market or government fail to satisfy the needs and expectations of the people. This is no different in Canada's Arctic, where community cooperatives began forming in the late 1950's to have a greater degree of control and influence in the commerce of the community.

Arctic Co-operatives Limited (Arctic Co-ops) is a cooperative service federation owned by 32 autonomous community cooperatives in the Territories. Specifically, on behalf of the Member Co-ops in the communities of Igloolik (Igloolik Co-op), Pond Inlet (Tununiq-Sauniq Co-op), Hall Beach (Hall Beach Co-op), and Arctic Bay (Taqqut Co-op), Arctic Co-ops serves as a major contractor to BIM, providing aviation services. This commercial activity is delivering significant positive economic impacts to the community Co-ops and, through the Co-operative business model, used to improve everyday life in the communities. Each Co-op and community have its own priorities with respect to delivering patronage rebates to Members, lowering prices, investing in community infrastructure, grants & donations, training & development, etc. From an economic impact perspective, Arctic Co-ops is certain that its contracting opportunities with Baffinland will result in broad based improvements in the economic position of all Co-op Members in the communities that we serve. Arctic Co-ops returned \$21,164,240 in patronage dividends to the 23 Member Co-ops in Nunavut between 2016 and 2018. In turn, the local community Co-ops returned \$22,007,282 to their Members, who are individual consumers in the communities.

In addition to the positive impacts of contracting activity to support responsible development, there are enormous opportunities for employment available to Nunavummiut either directly with Baffinland or as a result of the spin-off benefits from the project. Research commissioned by the Nutrition North Canada program highlights an inverse relationship between household income and reported household food insecurity. *"Nationally, almost half of households with no more than \$10,000 annual income are food insecure, with that incidence dropping to about 10% among households with incomes between \$30,001 and \$40,000."* (Phillips&Associates,

2017) and “...the fact that food prices area indeed higher in the North erodes the buying power of a given household income, exacerbating the effects of poverty.” (Phillips&Associates, 2017). Anecdotaly, Member Co-ops note increases in disposable income in the community when seasonal or temporary construction projects are employing community residents. Because of the estimated life-of-mine for this project, the employment opportunities can be transformational and multi-generational for the communities of the Qikiqtaaluk region, and significant Territorially.

Based on the tremendous positive economic and employment potential that this project holds for Co-op Members and other residents of the communities, we lend our voice to the others in support of Baffinland’s Phase 2 Project Proposal. It is my expectation to attend the NIRB sessions in both Iqaluit and Pond Inlet, and I look forward to seeing this part of the process in person and learning more about the important work that you do. I invite you to contact me at any time via phone at 1-800-787-0559 extension 222 or via email at dwilson@arctic.coop.



Duane Wilson, VP, Stakeholder Relations
Arctic Co-operatives Ltd.

October 24, 2019

Date