



Meeting with
The Honourable Oscar Lathlin
Minister of Aboriginal and Northern Affairs

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Executive Summary

Departmental Issues

1. Treaty Land Entitlements

- The selection and conversion of TLE land should provide benefit to both parties, including timely completion. An enhanced process will allow municipalities and TLE First Nations to coordinate their efforts and develop positive relationships that will contribute to future community development opportunities.
- A key obstacle to timely resolution has been the two separate processes for private and Crown land conversion.
- Municipalities also face disincentives to participating in the TLE process due to the insufficient compensation rates and the costs required to cover legal and professional fees.
- To encourage participation of Manitoba municipalities, the Provincial and Federal Governments must consider incentives comparable to those in Saskatchewan, where compensation is available to rural municipalities for 25 years and to urban municipalities in perpetuity.
- The fees required to review and update environmental assessments and land surveys can amount to substantial costs, and this must be recognized as a major expense for municipalities.
- The AMM is prepared to work with the AMC, the Provincial Government and other relevant stakeholders to make the TLE process more efficient.

Therefore, the AMM urges the Provincial Government to review the current TLE compensation in order to seek alternative ways to enhance the TLE process in Manitoba.

2. Healthy Food Initiatives for Northern Communities

- Municipalities often face challenges in promoting healthy lifestyles for their residents, however barriers to a healthy food supply exacerbate these challenges for many northern communities.
- The high transportation costs of nutritious foods and beverages are passed on to the consumer, which creates disincentives to healthy consumption patterns.
- Provincial funding must be maintained for valuable new initiatives under the Northern Healthy Foods Initiative and to expand programming to identify new methods of promoting local healthy food production.
- At the same time, established projects do not address the specific need for affordable milk products in northern communities.

- Manitoba's liquor control system demonstrates that it is possible to implement provincewide price regulation, and the Province must apply such a structure for milk.

Therefore, the AMM urges the Provincial Government to regulate the cost of milk products in remote and northern communities to further promote access to affordable, nutritious food and beverages.

3. Funding for Port of Churchill and Northern Rail Lines

- Railways offer vital services to Manitoba's economy by shipping agricultural commodities and other products to market.
- Many northern communities rely heavily on the rail system as the only transportation link to bring in supplies.
- It is inefficient to abandon functioning infrastructure and thereby create demand for alternative transportation infrastructure.
- The elimination of rail lines will deter business development in many areas due to the reduced number of connections between producers and markets.
- As an essential component of Manitoba's shipping potential, the many rail lines that support the Port of Churchill must be preserved.
- As the Federal Government moves forward with its rail service review, the Provincial Government must ensure that Manitoba's reliance on railways is taken into consideration.

Therefore, the AMM urges the Provincial Government to recognize the essential services provided by the rail line to the North and raise this issue during the Federal rail service review.

General Issues

1. Water Issues

- Water management is one of the most important issues facing Manitoba today and we believe it is important that all Ministers understand the significance of the current direction to municipalities.
- Municipalities certainly agree with the Province on the high level goals and visions laid out so far. However it is how the Province is looking to move forward in arriving at these goals that has raised concerns for municipalities.
- Conservation districts (CDs) have become the delivery mechanism of choice for water initiatives in Manitoba, however the funding for CDs has never been equal to the expectations that have been placed upon them. The *Framework for the Future* document advocates for a scenario where the Province will provide little additional funding, while increasing the expectations for CDs.

- There is real concern that the proposed changes to the funding mechanisms will seriously erode the importance of local priorities, ultimately leading to the erosion of local authority.
- By being forced to use the vast majority of the CD budget on provincially directed initiatives, there will be nothing left to deal with local priorities.
- We are also very concerned with the approach taken by the department in trying to gain feedback on the document. The questionnaire is misleading in that it does not deal with these fundamental issues, and instead focuses on support for the very general goal statements.
- We are hopeful that although the Province has moved forward unilaterally on this initiative, there is still opportunity to find a workable solution that benefits everyone.

Departmental Issues

1. Treaty Land Entitlements

The conversion of land through Manitoba's Treaty Land Entitlement (TLE) process has been very lengthy, which results in negative impacts for local development. The Provincial Government has repeatedly indicated its support for more timely settlements, yet inefficiencies and disincentives remain. Greater efforts must be made to facilitate negotiations between municipalities and TLE First Nations by ensuring that sufficient incentives are available to all stakeholders. The selection and conversion of land should provide benefit to both parties, including timely completion. An enhanced process will allow municipalities and TLE First Nations to coordinate their efforts and develop positive relationships that will contribute to future community development opportunities.

A key obstacle to timely resolution has been the two separate processes for private and Crown land conversion. In particular, each process has different time requirements regarding the Provincial assessment of land conversions. Where private land has been identified for conversion by an Entitlement First Nation, the Provincial Government is involved in assessing residual interests, such as mineral rights, and making a report to the Federal Government. The Federal Government can then convert the land through the Additions to Reserve policy. In situations where Crown land has been identified for conversion the Province is required to follow an internal circulation process to all Provincial departments, relevant Special Operating Agencies, municipalities and other stakeholders. Through this process the land is deemed eligible for conversion to reserve status at the Provincial level. The Province then holds the parcel of land until the Federal Government completes the process required through the Additions to Reserve policy. The Provincial Government must then prepare an Order in Council to transfer the land to the Federal Government. As a result of these procedures, the process for converting private and Crown land is extremely time consuming.

While there is certainly a need to confirm the eligibility of selected land parcels, the time commitment required to complete these processes is excessive. Successful land conversion

processes should aim to allow TLE First Nations and municipalities to make the best use of the land in a timely manner, without losing economic development opportunities. Therefore, the Provincial Government must implement measures to expedite its assessment of land conversions to support development in the affected communities.

Municipalities also face disincentives to participating in the TLE process due to the insufficient compensation rates and the costs required to cover legal and professional fees. At present, Manitoba's compensation rates provide little incentive to pursue TLE settlements since municipalities are only compensated for five times the annual net tax loss at the time of conversion. This represents a considerable loss in tax revenue over the long-term. In contrast, compensation rates in Saskatchewan are available to rural municipalities for 25 years and to urban municipalities in perpetuity. To encourage participation of Manitoba municipalities, the Provincial and Federal Governments must consider incentives comparable to those in Saskatchewan. For instance, the Federal Government assists the municipal tax collection process in Saskatchewan by paying the municipal taxes after a period of 75 days. This ensures municipalities maintain consistent income during negotiations and assists in easing the relationships between TLE First Nations and municipalities. In order to enhance incentives to complete TLE negotiations, similar arrangements should be given greater consideration in Manitoba.

In addition, the actual costs incurred by municipalities are problematic, since these costs are compounded by the length of time required to complete the process. The 2006 Report of the Auditor General of Canada illustrates that the TLE process takes a number of years to complete. This has a direct impact on the environmental assessments and land surveys that are required by the TLE process. Although there is a practical reason to require such assessments, they are often repeated several times throughout the selection and conversion process due to changing plans and environmental conditions. The fees required to review and update these assessments can amount to substantial costs, and this must be recognized as a major expense for municipalities. Therefore, improvements to the TLE process must include a means of addressing these costs.

Throughout the TLE process, municipalities engage legal and other professional services at a considerable expense. This points to a need to facilitate the negotiation process to ease any tensions and expeditiously seek mutually agreeable solutions. For this reason, the AMM has committed to working with the Assembly of Manitoba Chiefs (AMC) and the Treaty Land Entitlement Committee of Manitoba Inc. to develop a Communication and Consultation Protocol. The AMM recognizes the need to clarify each party's viewpoint so that misperceptions and delays caused by misunderstandings can be minimized. Although such initiatives can eliminate a portion of the time commitment required, professional legal services will continue to play a role in the TLE process. These costs further demonstrate the need to review current compensation mechanisms and provide additional incentives for municipalities to engage in the TLE process.

The University of Saskatchewan's 2007 report, *Improving the Municipal-Aboriginal Urban Interface: Areas of Highest Priority, Opportunities and Challenges*, indicates that the most important formal relationship in the TLE process lies with the TLE First Nation and the Federal Government. Furthermore, the TLE First Nation's most important strategic long-term relationship is with the local municipality. Based on these ongoing relationships, the AMM is prepared to work with the AMC, the Provincial Government and other relevant stakeholders to make the TLE process more efficient. A review of the current process should provide additional incentives for municipalities to participate while accelerating the time required to convert municipally-owned land.

Therefore, the AMM urges the Provincial Government to review the current TLE compensation in order to seek alternative ways to enhance the TLE process in Manitoba.

2. Healthy Food Initiatives for Northern Communities

Municipalities often face challenges in promoting healthy lifestyles for their residents, however barriers to a healthy food supply exacerbate these challenges for many northern communities. Escalating health issues stemming from a lack of nutritious foods and beverages have increased demand for health care interventions in remote communities. This demand is a direct result of the fact that perishable products are substantially more expensive in northern communities as compared to the rest of the province. The high transportation costs of these products are passed on to the consumer, which creates disincentives to healthy consumption patterns. Since less nutritious alternatives also have lower costs, there tends to be higher consumption of these products. Therefore, it is imperative that the Provincial Government mitigate the high cost of nutritious food and beverages in remote and northern communities.

In 2007, northern communities gained considerable benefits through the widespread expansion of the Northern Healthy Foods Initiative. The Province has supported several projects including community gardens in 27 communities and promoting education through the Frontier School Division. Increased local production of fruits and vegetables reduces the need to pay the high transportation costs that are otherwise required. Therefore, Provincial funding must be maintained for these valuable initiatives and to expand programming to identify new methods of promoting local healthy food production.

At the same time, established projects do not address the specific need for affordable milk products in northern communities. Through the Healthy Baby program, pregnant women and new mothers can receive milk coupons up to 6 months postnatal, which is an important first step. Promoting nutritious choices among pregnant women and new mothers offers their babies a head start towards healthy living. However, children also benefit from direct milk product consumption as they grow. The high costs prevent many families from consuming the appropriate quantities of milk products required for healthy development.

The AMM recognizes that milk consumption is one component of a comprehensive healthy food campaign. However, the considerable benefits for children and adults require the increased accessibility of dairy products in northern communities. The severity of this need is highlighted

by the Provincial Government's control of liquor prices across Manitoba, while milk prices continue to vary widely. Manitoba's liquor control system demonstrates that it is possible to implement provincewide price regulation, therefore the Province must apply such a structure for milk. Current price discrepancies demand attention from the Provincial Government as an explicit part of the Northern Healthy Foods Initiative.

The Northern Food Prices Report published by the Provincial Government in 2003, also raises the need to address milk prices. The report suggests that this should be accomplished by broadening the mandate of the Milk Price Review to focus on the needs of northern communities. The Province has taken general steps to reduce food costs through enhancements to the transportation network, however equity in milk prices has not been achieved. Improving the winter road network to reduce transportation costs and implementing the Rocky Mountain Doubles pilot project are valuable measures, however a specific focus on reducing the cost of milk in northern Manitoba is required. Without this focus, the disincentives to consume milk will remain, along with the negative impacts of insufficient milk consumption.

Therefore, the AMM urges the Provincial Government to regulate the cost of milk products in remote and northern communities to further promote access to affordable, nutritious food and beverages.

3. Funding for Port of Churchill and Northern Rail Lines

Railways have consistently played an important role in Canadian transportation since they offer an efficient, low-cost shipping option for a variety of goods. Tracks, yards and stations are often central urban features around which industries and businesses were built and communities developed. Railways continue to offer vital services to Manitoba's economy by shipping agricultural commodities and other products to market. Many northern communities rely heavily on the rail system as the only transportation link to bring in supplies from other areas of the province. Therefore, the importance of this transportation infrastructure must be maintained and protected.

The increasing demand for investment in infrastructure supports the need to preserve the rail system in Manitoba. Recent rail line abandonment related to agricultural shipping has increased pressure on Provincial and municipal highways, resulting in a need for additional investment in maintenance and repair. In northern Manitoba there are limited opportunities to shift to a reliance on the road network since railways are often the only transportation access available. Therefore, it is inefficient to abandon functioning infrastructure and thereby create demand for alternative transportation infrastructure.

The increasing trend towards abandoning rail lines is a major economic concern. The elimination of rail lines will deter business development in many areas due to the reduced number of connections between producers and markets. In communities where the railway is the only transportation link, the elimination of rail lines effectively halts future economic development opportunities. As well, losing this vital connection isolates communities and cuts off access to required goods and services.

In contrast, communities can thrive through the effective usage of the rail system. For instance, Churchill is one of Manitoba's main tourism destinations and the railway assists in providing tourist access to the town. As well, as a key node in the transportation system, the Port of Churchill is being developed as a Canada's only deep-water seaport. The AMM recognizes the Provincial and Federal Government's recent investment in the port and the Hudson Bay rail line. At the same time, it is necessary to recognize that many other rail lines offer essential links

connecting the port and several remote, northern communities and economies to key markets. As an essential component of Manitoba's shipping potential, the many rail lines that support the Port of Churchill must be preserved. The ongoing development of the Port of Churchill will establish economic opportunities for communities across Manitoba. Therefore, rail lines throughout the Province should be protected to maintain efficient links to this important seaport.

As well, in recognition of the importance of railways in Manitoba, the Provincial Government must work with the Federal Government to preserve rail services in this province. The AMM appreciates the Minister's commitment to place rail line abandonment on the agenda of the upcoming Council of Ministers meeting. Additionally, as the Federal Government moves forward with its rail service review, the Provincial Government must ensure that Manitoba's reliance on railways is taken into consideration. Federal policy changes that result in detrimental impacts for northern communities must be avoided. The Provincial Government must assist communities that rely exclusively on rail transportation by voicing their concerns throughout the federal rail service review.

Therefore, the AMM urges the Provincial Government to recognize the essential services provided by the rail line to the North and raise this issue during the Federal rail service review.

General Issues

1. Water Issues

Each year the AMM includes a top issue as a general agenda item for its meetings with all individual Cabinet Ministers. This year the AMM Board is taking municipal concerns with the current Provincial direction on water-related issues. The reason we are taking this issue to all Ministers is to let each Cabinet Minister know the importance of this issue to municipalities and our primary concerns. We believe this is one of the most important issues facing Manitoba today and we believe it is important that all Ministers understand the significance of the current direction to municipalities.

The AMM has always been a willing partner on water initiatives whenever asked. The AMM was one of the most vocal advocates for the creation of a single department to deal with water initiatives. The AMM has also participated on a number of provincial direction-setting initiatives, including the Manitoba Water Strategy. Municipalities know firsthand the importance of properly managing water and have always been willing to do what is needed. Clean drinking water, safely managed wastewater, and proper drainage and water management are all priorities for municipalities, just as they are for the Province.

Municipalities certainly agree with the Province on the high level goals and visions laid out so far. However it is how the Province is looking to move forward in arriving at these goals that has raised concerns for municipalities.

Throughout the last number of years municipalities have been raising concerns with how all of the new directions announced by the Province will be funded. Most recently the Province released *Framework for the Future*, a discussion document on the future of conservation districts in the province, which is most alarming. Conservation districts (CDs) have become the delivery mechanism of choice for water initiatives in Manitoba, however the funding for CDs has never been equal to the expectations that have been placed upon them. This document advocates for a scenario where the Province will provide little additional funding, while increasing the expectations for CDs.

One of the greatest strengths of CDs is that they are locally driven, with boards comprised of local residents making decisions based on local priorities. However there is real concern that the proposed changes to the funding mechanisms will seriously erode the importance of local priorities, ultimately leading to the erosion of local authority. This new proposal is to link limited provincial funding with provincial priorities, taking away a local CD's ability to use provincial funding for locally decided priorities. By being forced to use the vast majority of their budget on provincially directed initiatives, there will be nothing left to deal with local priorities. While we certainly expect there to be similarities between provincial and CD priorities, any flexibility in addressing local priorities will be lost.

These are very fundamental issues that need to be discussed and dealt with in order for the CD program to work in Manitoba. However we are very concerned with the approach taken by the department in trying to gain feedback on the document. The questionnaire is misleading in that it does not deal with these fundamental issues, and instead focuses on support for the very general goal statements. We feel the information gained from the questionnaires will only provide part of the picture, while many of the more fundamental issues are not addressed.

The AMM has a long history of working together with the Province, and over the last few years we have worked closely on numerous issues. While often we have differing opinions about what is best, we have been able to work together to find solutions to challenges and with the end result being what is best for all Manitobans. We are hopeful that although the Province has moved forward unilaterally on this initiative, there is still opportunity to find a workable solution that benefits everyone.

Appendix A – Active Resolutions

AMM Resolution Number 13 – 2001

Topic: Treaty Land Entitlements -- Loss of Tax Base

Sponsor: RM of Kelsey (Northern District)

Departments: Manitoba Aboriginal & Northern Affairs, Indian & Northern Affairs Canada

THEREFORE BE IT RESOLVED that the AMM expedite the process of lobbying the federal and provincial governments to ensure that municipalities are protected from losing school tax base should a treaty land entitlement result in land within a municipality being acquired by a First Nations band and subsequently being granted reserve status so that the information can be included in service agreements.

AMM Resolution Number 72 - 2000

Topic: Legal Costs of Negotiating Treaty Land Entitlements

Sponsor: RM of Sifton (Western District)

Departments: Manitoba Aboriginal & Northern Affairs, Indian & Northern Affairs Canada, Manitoba Intergovernmental Affairs and Trade, Manitoba Conservation

WHEREAS Indian bands that are eligible for treaty land entitlements also receive funding to defray legal costs when acquiring lands;

AND WHEREAS Manitoba municipalities must pay any and all share of any legal costs associated with developing a municipal development and services agreement relating to treaty land entitlements;

AND WHEREAS municipalities must rely on funding from property taxes to pay their legal expenses;

THEREFORE BE IT RESOLVED THAT the AMM lobby the federal and provincial governments to cost-share municipal legal costs relating to treaty land entitlements negotiations and preparation of municipal development and services agreements.

AMM Resolution Number 43 – 2002

Topic: Milk Price Controls in Rural and Northern Communities

Sponsor: Town of Churchill (Northern District)

Departments: Manitoba Agriculture, Food and Rural Initiatives, Manitoba Aboriginal & Northern Affairs, Indian & Northern Affairs Canada

WHEREAS the sale of liquor is regulated by *The Liquor Control Act* under section 51(1) which states: "The price of each particular variety of liquor shall be the same at all liquor stores and premises of liquor vendors appointed under section 17";

AND WHEREAS the Province of Manitoba controls the price of liquor sold in stores regardless of geographical location;

AND WHEREAS the Province controls the operation and production of milk which is regulated under *The Dairy Act*;

AND WHEREAS the Province does not regulate or control the price of milk as is the case with liquor;

AND WHEREAS the price of milk in rural and northern communities is more expensive than the southern region of the province and is, at times, more expensive than an equal quantity of liquor;

AND WHEREAS the availability of fresh milk is an essential component of healthy living, especially for children, and is one cornerstone of Canada's Food Guide to Healthy Eating, while liquor is not;

AND WHEREAS Canada's Food Guide to Healthy Eating suggests that children 4-9 years consume 2-3 servings per day, children 10-16 years consume 3-4 servings per day, adults consume 2-4 servings per day and breast-feeding women consume 3-4 servings per day. The same cannot be said for liquor;

AND WHEREAS alcohol and drug abuse is the largest socioeconomic crisis in rural and northern Manitoba;

AND WHEREAS the Province has placed more effort into supplying affordable liquor to rural and northern communities than any other consumable;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province to regulate and control the price of milk in rural and northern communities in the same way as liquor is regulated and controlled by *The Liquor Control Act*.

AND BE IT FURTHER RESOLVED THAT the AMM lobby the Province to amend *The Dairy Act* to include similar pricing controls as are found in section 51(1) of *The Liquor Control Act*, to ensure that the price of milk in rural and northern communities is the same across the province regardless of geographical location.