



News Release

Gasoline plan announced by ministers

IQALUIT, Nunavut (May 23, 2002) – A step toward compensation, new testing and a one-third gas price decrease were announced today by Finance Minister Kelvin Ng and Public Works and Services Minister Peter Kattuk as part of the government's response to deal with issues arising from gasoline supplies in the Baffin and Kivalliq.

“This is a practical and balanced approach that will address a very complex issue,” said Minister Ng.

“The actions we are taking today shows we are working as quickly as possible to deal with issues arising from this year's resupply,” Minister Kattuk said. “Communication with the public has been very strong and feedback from Nunavummiut continues to be very important to our work.”

As part of the plan, the government is asking snowmobile owners in the Baffin and Kivalliq that may have had their snowmobiles damaged by this year's gas to contact their community wildlife office starting on May 27, 2002. They should produce receipts, if available, for engine repairs from last fall, this winter and spring.

Wildlife officers will assist snowmobile owners in completing a form that will entitle them to be considered for compensation.

The Department of Sustainable Development is working with hunters and trappers organizations in those communities without wildlife officers to seek the most appropriate community contact.

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“We are committed to quickly and fairly compensate snowmobile owners who have repaired engine damage caused by this year's gas supply,” Minister Ng said.

The Department of Finance will use the data collected by wildlife officers to determine the scope of the problems and the costs associated with repairing damaged engines.

Within three weeks, the department plans to start making payments to compensate snowmobile owners based on average repair costs. Snowmobile repair costs in excess of the average may be reviewed on a case-by-case basis possibly with the assistance of insurance appraisers.

The government is also responding to concerns that the 2001 resupply of gasoline may be causing engine trouble on other two and four stroke engines, particularly outboard motors, ATVs and vehicles.

Starting this weekend, an outboard motor will be tested under practical hunting conditions out of Rankin Inlet. The Alberta Research Council (ARC) will also test two outboard engines in a laboratory in Edmonton.

The ARC will also analyze fuel filter, fuel pump and injector components from vehicles from the Baffin and Kivalliq.

The price of gasoline in the Baffin and Kivalliq will be reduced temporarily by 33 per cent on June 1, 2002.

Earlier tests showed the current supply of gasoline in the Baffin and Kivalliq lacks a deposit control additive, which is required under Canadian regulations. Further, it contains unusually high levels of certain components that are normally found in low concentrations.

The ARC is currently testing an approach to blend the 2001 fuel with new supplies and appropriate additives to ensure a product that provides acceptable performance. A remediation plan will be finalized once the testing is concluded.

“The government is committed to ensuring that in the future Nunavut residents can have confidence in a safe and reliable supply of gasoline,” Minister Kattuk said.

As part of this, the Petroleum Products Division (PPD) of the Department of Public Works and Services, in consultation with ARC, has revised the specification for gasoline supplies. This revised specification has been shared with Northern Transportation Co. Ltd. (NTCL), the supplier for 2002. ARC will be working with PPD and NTCL this summer to test the 2002 resupply to ensure that it meets the new specifications, Minister Kattuk said.

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Media Contact:

Nino Wischnewski
GN Communications
☎ (867) 975-6001