



# The Town of Churchill

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July 29, 2019

Joe Coccimiglio  
c/o Arctic Gateway Group  
6200 E. Primrose Green Dr.  
Regina, SK  
S4V 3L7

Dear Mr. Coccimiglio,

Our community would like to acknowledge the recent arrival of grain cars as a positive sign that a return to a renewed and prosperous future for the Port of Churchill can begin. However, many important issues remain for Churchill and our region.

A significant issue that has been raised with Arctic Gateway on multiple occasions both verbally and via email and yet it remains unresolved is the high cost of fuel. Churchill continues to pay some of the highest costs for fuel in the country. The price for fuel at the pump before the 2017 suspension of rail was \$1.70 a litre.

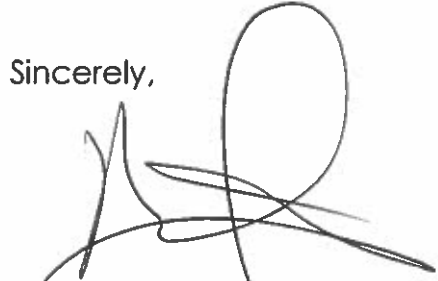
Currently, residents in Town pay \$2.22/litre at the pump despite the fact fuel is now being transported to Churchill by freight train thereby creating lower transportation costs as opposed to marine delivery. Under current calculations based on all costs, (purchase price, taxes, freight, handling, local mark-up, insurance) there is approximately \$0.40 cents a litre surcharge being applied on our fuel that needs to be rectified.

It was the community's expectation that with the restoration of freight service and the transfer of ownership of the tank farm that fuel prices would be back to prices as they were prior to the suspension of service. No adequate answers have been given to address the fact that Federal dollars purchased all the fuel reserves and yet Arctic Gateway has continued to sell fuel at considerable costs. The Federal Government made significant investments to help our partnership acquire these important assets. They also provided direct funding to support operations and enhance the commercial viability of the Bay Line, Port and Tank Farm.

We understand that the assets including the Tank Farm require significant reinvestment and difficult management decisions lie ahead for these assets. But the Town of Churchill residents cannot be forced to continue to pay these high fuel costs. This is a situation that needs to be resolved in short order. Fuel prices need to come down substantially pre suspension levels. Anything short of this will be deemed unacceptable to the community.

We look forward to your favourable response.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Spence', written over a horizontal line. The signature is stylized and somewhat abstract.

Michael Spence  
Mayor

C. Council  
Churchill Chamber of Commerce