37. A Pan-Territorial Transportation Strategy

Issue
Port and transportation corridors in Canada's territories are:

- Unfolding haphazardly, typically tied to a politically popular project of the moment;
- Often multi-jurisdictional, but lacking a coordinating entity, or comprehensive funding facility; and
- Key to an actionable Territorial/Northern Development Strategy, that does not yet exist.

Background
Surface transport for territorial community re-supply and resource development depends upon:

- Summer sealift in Nunavut and coastal Northwest Territories (NWT) communities;
- A combination of Mackenzie River barging (which is challenged by decreasing water levels) and winter road trucking in the Mackenzie Valley; and
- Trucking on paved and gravel highways in the rest of NWT and most of Yukon.

Rudimentary territorial resupply over 40% of Canada's landmass has relied upon essentially the same skinny infrastructure for the last 40 years. The only new infrastructure investment is Mackenzie Corridor construction, currently underway on the Inuvik-Tuktoyaktuk all-weather road, and the Mary River Mine Milne Inlet Port on Baffin Island in Nunavut.

Canadian Arctic ports are few:

- One shallow draft port at Tuktoyaktuk, NWT, with barge terminals and marine supply bases from an earlier era of oil and gas exploration; and
- Two deep water ports, both on the north tip of Baffin Island, Nunavut, with Nanisivik Mine dock repurposed as a naval facility and newly constructed Mary River Mine Milne Inlet Port.

Inland connections are also limited:

- Two marine/rail transfer facilities: Hudson Bay Port of Churchill, Manitoba with inland access by rail only, and Hay River, NWT Barge Terminal, also with a highway connection;
- Three road/railheads: CN railheads connect to the Mackenzie Highway at Hay River, NWT and to the Alaska Highway at Fort Nelson, BC; and White Pass & Yukon Route railheads connect to the Alaska and Klondike Highways at Whitehorse (inactive) and Carcross, Yukon;
- Three highway gateways: Mackenzie Highway Gateway to Mackenzie Valley and Yellowknife, NWT; Alaska Highway Gateway to Yukon and Alaska; and Klondike/Dempster Highway Gateway to the Mackenzie Delta and Beaufort Sea; and
- Three winter road extensions: Tibbett to Contwoyto Winter Road (TCWR) extension of Yellowknife Highway; Mackenzie Valley Winter Road extension of Mackenzie Highway; and Mackenzie Delta Winter Road extension of Dempster Highway (new road being built).

As climate change extends the arctic navigation season, ship owners are poised to take advantage of new trading opportunities with more ocean tankers, resource and resupply ships, and cargo and cruise transits:

- Montreal-based Eastern Sealift ship owners are extending resupply operations into the Western Arctic, formerly served exclusively by Hay River based Western Sealift barges; and Western Sealift now includes west coast originating ocean tankers transiting around Alaska;
- Northwest Passage future viability as a shortcut for cargo ships has been demonstrated with Nordic Bulk Carriers *Nordic Orion* eastbound transit from British Columbia to Finland (2013) and Fednav *Nunavik* westbound transit from Deception Bay, Quebec to China (2014);

- Increasing viability of Northwest Passage transits also improves feasibility for resource development projects on the Arctic coast – with iron ore shipments starting in 2015 from Mary River Mine Milne Inlet Port on Baffin Island as the precursor;
- An "Arctic Bridge" between the Hudson Bay Port of Churchill and the Russian Port of Murmansk offers an expanded gateway to central North America. In addition to grain exports, fertilizer imports (one shipment in 2007 and two shipments in 2008) have demonstrated its viability; and
- A burgeoning cruise market is moving from small "expedition" vessels (10 transits in 2014) to large luxury cruise ships with some 1,000 passengers booked on a Crystal Serenity Northwest Passage sailing between Anchorage and New York in 2016.

International arctic activity is also driving a national shipbuilding program. The Canadian Coast Guard plans a new heavy icebreaker, *CCGS John G Diefenbaker,* and the Royal Canadian Navy is building five ice-capable Arctic Offshore Patrol Ships. These ships will provide increased arctic surveillance, research support, and search-and-rescue capability alongside growing international activity in the Arctic.

International activity includes China, currently completing a second ice breaker, and Russia with the world's largest ice breaking fleet - four nuclear ice breakers, three more under construction and a large number of conventional ice breakers.

Within this context, a multiplicity of port and road, pipeline and rail, fibre optic and electrical transmission infrastructure investment proposals are competing for funding across overlapping jurisdictions without any overall strategy or comprehensive coordination.

Such a strategy is needed to make the best use of limited resources for nation-building multi-user transportation infrastructure in Canada's territories that would otherwise be unaffordable.

Recommendations

That the federal government:

1. Adopt a Pan-Territorial Transportation Strategy to identify common requirements for:
    a. Bi-National security (NORAD maritime mission, Arctic/Offshore Patrol Ships and ice breakers) research ship navigation (ice breaking, search & rescue, salvage support)
    b. Environmental protection (tanker monitoring, ship spill response, blow-out containment)
    c. Resource development (on/offshore oil & gas, mine supply and mineral exports)
    d. Community resupply (fuel and cargo)
    e. Energy transmission (oil, gas and electricity)
    f. Communications (data, voice and satellite)
2. Meet those common requirements through a Territorial Corridors Coordinating Agency that will vet infrastructure investment options to:
    a. Seek strategic solutions melding multi-modal regional and cross-jurisdictional requirements for territorial ports, roads, railways, pipelines and transmission systems;
    b. Address Indigenous rights and community concerns through public engagement that promotes the economic opportunities that can be retained for all territorial residents;
    c. Spread, share and reduce financial burden/risk by screening for project synergies, eliminating duplication, building scale economies and pre-permitting common use corridors; and
    d. Monitor and adjust for changing risks and opportunities, while updating best practices for public and private investment in northern infrastructure.