



DEBATES OF THE SENATE

1st SESSION • 42nd PARLIAMENT • VOLUME 150 • NUMBER 240

CRISIS IN CHURCHILL, MANITOBA

INQUIRY—DEBATE CONCLUDED

Speech by:

The Honourable Patricia Bovey

Thursday, October 25, 2018

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Hon. Patricia Bovey: Honourable senators, I rise today to speak in final reply to my inquiry calling attention of the Senate to the crisis in Churchill. I would like to thank Senator Mercer for allowing me to close this inquiry today.

It has been a long journey for the people of Churchill since May 17, 2017, when the washout of the railway connecting the community to the south occurred. In the ensuing 20 months, the 900 residents of Churchill and 30,000 people serviced by the line faced the reality of being deprived of the land link that is the lifeblood of that place. The railway is the only reasonable means of transporting food, medical supplies, other goods and materials, and people to Churchill. Without it, the residents must rely on air and sea transport, both of which come with their own complications.

Many senators here are aware of those complications. The shipping season is closed for eight months of the year. Transport by air is available, but weather can play havoc with travel plans for both goods and people. The expense of airlifting supplies to the North is another well-known issue. Shipping by air is three to five times as expensive as rail.

The washout had a dire effect on the economy. A continuing washout would only complicate that effect further.

Adventure tourism is a growing business for Churchill — watching beluga whales and polar bears, the aurora borealis, birding, historical sites. All brought tourists to the area and formed a large part of the local economy before the washout.

The Churchill Northern Studies Centre 2017 spring program received 1,000 fewer students able to take part, as there was no transport to get them there. Researchers cancelled their research programs, unable to transport their materials. The same happened in 2018.

The lack of rail also led to the slowing down of the construction of the Churchill Marine Observatory, as building supplies could not be transported to the construction site. It is now two seasons behind. One of its key purposes is to study the means of remediation of oil spills on saltwater, freshwater and sea ice, as well as that on active marine life, critical in our time of climate change.

The effect felt by people along the line was deep for all the reasons I mentioned. On a personal level, the isolation took its own desperate toll. Rhoda de Meulles, who owns a hardware store in Churchill with her husband, put it this way:

We always felt like we were being kept hostage because we couldn't do anything — couldn't go anywhere, couldn't see family, nothing

Stop-gap solutions to relieve the short-term issues were put in place. In 2017, the Province of Manitoba shipped 2.2 million litres of propane to Churchill by sea from Montreal to provide heating

for the winter months. In 2018, a further shipment of propane was sent by the province, again from Montreal. The federal government extended the Nutrition North program to reduce the price of food being shipped in and provided \$2.7 million to the Churchill and Region Economic Development Fund. The Nutrition North program will stay in effect until the rail line is back in service. Winnipeg Harvest and other charities sent care packages to Churchill, and they should be recognized for doing so.

The answer to the short- and long-term problems facing the people of northern Manitoba is the repair of the rail line — that essential gateway to the Arctic and thus to the world. It is hoped the shift to Montreal as a temporary gateway for shipping goods is indeed only temporary and that with the rail line fixed, Churchill will be able to regain its lost role.

Thankfully, on September 14, 2018, the Government of Canada announced its support for the acquisition and repair of the Churchill rail line by the Arctic Gateway Group. The group is composed of Fairfax Financial Holdings, Regina-based AGT Limited Partnership and Missinippi Rail Limited Partnership. The Missinippi partnership is made up of Mathias Colomb Cree Nation, Fox Lake Cree Nation, Opaskwayak Cree Nation, Tataskweyak Cree Nation, War Lake First Nation, York Factory First Nation, Cross Lake Band of Cree Indians and Nisichawayasihk Cree Nation. Communities serviced by the line, such as The Pas, Flin Flon, Thompson, Gillam, Kelsey and Churchill, are also part of the group.

According to the government:

The consortium brings together First Nations and community ownership and support, along with significant private sector leadership and global investment capacity, and collectively, substantial short line rail operating and shipping experience.

The agreement states that \$117 million in funding will be provided through the Western Diversification Program of Western Economic Diversification Canada, an amount that breaks down thusly: \$74 million over three years to be used for the acquisition and repair of the rail line and the port terminal; \$43 million over 10 years for operations and enhancing the viability of the bay line, port terminal assets and tank farm; and a further \$10 million will be provided as a repayable contribution, which will provide time for the Arctic Gateway Group to secure their own loan on commercial terms.

The Arctic Gateway Group will not be providing dividends for at least 10 years, as they intend to reinvest into the companies and northern Manitoba.

Most significantly for me, colleagues, is the unique model that has been created in response to this washout and the future of the rail line. The media announcement that detailed the parties involved in the new arrangement demonstrates the commitment of the consortium of many stakeholders coming together, not only to rebuild the rail line, but also to construct a bright future for the communities it serves.

Churchill Mayor Mike Spence described this aptly when he said:

We'll have control in the future, and we'll work toward prosperity. This is historic; I don't think there's another model out there in Canada that would fit into this equation. First Nations, Communities and Municipalities and the private sector hand in hand with the Government of Canada. This will work. We are excited for the future.

Senators, shovels were in the ground almost immediately, with Cando Rail Service, a Brandon-based company, and Paradox Access Solutions, an Edmonton-based company, taking the lead on the repair work. The first estimate of completion of the work was 60 days, weather it being the main challenge. The work is now virtually complete on the railbed and bridges, and inspection has been going on as the work was being done. It is hoped that certification will be in the next several weeks, and Mayor Spence is optimistic that the rail line will be in use before winter sets in.

I should mention that, tragically, a worker was killed in a derailment that occurred shortly after repair work had begun, a very unfortunate event in this saga. I'm sure you will all join me in extending our condolences to his family and sending our best wishes for a full recovery to the individual injured in the same accident.

More positively, the repairs will be thorough and reconstruct the line using technologies that should make the railway a much sturdier affair, able to withstand the environmental challenges presented by the terrain of northern Manitoba.

With the reconstruction of the railway, we can now look forward to building a brighter future for that region. Churchill is Canada's only deep-sea northern port. With a stable ownership group now in place, perhaps Canada can take advantage of this fact and begin to utilize this port to reach markets around the world.

Colleagues, I was pleased to hear Minister of International Trade and Diversification, the Honourable Jim Carr, a fellow Manitoban, address the Government of Canada's commitment to the people of northern Manitoba through the Port of Churchill. While appearing before the Standing Senate Committee on Foreign Affairs and International Trade on October 18, 2018, the minister stated:

We are looking east, west, south and, may I say, north as well because with the revitalization of the Port of Churchill, Canada will now be positioned more powerfully than ever before to look at our northern territory as an international gateway both east and west.

One such opportunity may lie in accessing Arctic mines by sea. The trade magazine *Resource Clips* surmised that the completion of repairs to the Hudson's Bay line "heightens the potential of resource projects in northern Manitoba and Nunavut's Kivalliq region." We shall see what develops in the coming months.

Optimism bounds at the moment, even on the verge of another winter. What long-term solutions present themselves will be the result of the dedication and hard work of those who fought to strike this new and innovative arrangement. I am thankful this crisis is being mitigated by such a broad range of stakeholders coming together to build a future for the people of northern Manitoba and beyond.

I want to thank Senators McPhedran and Plett for speaking to this inquiry, and Senator Wallin for her statement on the issue.

In closing, I applaud the tenacity, strength and patience of the people of Churchill, even though almost one third of the citizens left the community. Sixty schoolchildren and their families moved south during this period of great uncertainty and consternation.

May people return soon and reap the benefits of this community vision and clear strategic planning in putting this unique model of collective ownership and operation together. May tourism return to pre-washout levels, and may food prices become more reasonable. May jobs and prosperity return.

I can assure you that the announcement and repairs have given the community a real lift. All the communities along the line are excited, giving good reason for people to return. The fact that Churchill has rail, a deep sea port and an airport, originally built as a military airstrip, renders Churchill collectively an important asset serving the whole Arctic. I know I need not say that the railway is also critical in the ongoing scientific research of the Churchill Northern Studies Centre and the soon-to-be built Churchill Marine Observatory, for deliveries of all sorts and, of course, for tourism.

As Mayor Spence said at the Special Committee of the Arctic this week, Churchill "has enormous potential as a seamless partner with the railway to ship products across the North."
