Minister-led Roundtable: The North
July 7, 2016, 2:00PM to 4:00PM | Iqaluit, NU

Summary of Discussion

The meeting was conducted under Chatham House Rule: “When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.”

Notes on Roundtable Discussion:

The North Roundtable sought stakeholder perspectives on priority areas for federal action related to transportation connectivity, safety, environmental impacts, and impacts of climate change, as well as the design and operation of federal programs to address northern realities.

Highlights of participants’ comments follow below, grouped according to four questions that were shared with participants ahead of the meeting.

1. What are the key concerns with transportation access (connectivity) to/from/between northern communities that need to be resolved, but which market forces are not able to resolve independently? What actions could be taken to address these concerns? What can be the role of industry, users and others in moving to a more coordinated approach?

- Transportation underpins social development in the North; transportation is vital to connect residents between remote communities and to locations in the south. In addition, transportation is vital to bringing housing materials, food and other critical supplies into communities.
- The current underdeveloped state of transportation infrastructure in the North is contributing to the rising cost of goods for retailers as well as residents. In addition, the lack of basic transportation infrastructure in some instances is generating safety issues. For example the lack of proper fencing and lighting to facilitate marine community resupply activities can expose local residents to hazards associated with those operations and create inefficiencies in cargo movements.
- Commodity and cargo prices could be reduced by building marine infrastructure to make operations more efficient, and by providing faster ice breaking/escort services.
- Concerns were expressed over the current age and capability of the Coast Guard’s fleet which is viewed as hindering community resupply efforts as well as other commercial ship movements.
- The absence of paved runways in many northern communities is considered a critical area for improvement, with important economic, safety, and environmental benefits for both air carriers and communities.
• Northern air carriers are limited to particular aircraft that can be outfitted with kits that allow landings on gravel runways. This means that carriers are not able to incorporate newer, more efficient aircraft into their fleets because these are not compatible with gravel kits.
• Improved air infrastructure and services could support heavier air cargo payloads and enable commercial and export enterprises in some communities, such as commercial fisheries.
• Navigation system upgrades, such as Global Navigation Satellite, would enable more frequent landings and continued operations in difficult weather. It was also noted that 24-hour weather reporting is not available at northern airports and aerodromes, and runway lighting is absent at most airports and there are challenges with runway clearing in some communities. Improvements in these areas could be much cheaper and faster than paving runways, therefore offering the most benefits to northern aviation with the least cost in the short term.
• Despite falling jet fuel prices in the rest of Canada, prices remained up to three times higher in the North than the South. This cost is borne by users of air services.
• Carriers’ participation in the Nutrition North program has been challenged by the fact that the program does not pay sufficient freight rates to allow carriers to make contributions towards capital expenditures on new aircraft.
• Higher provincial subsidization of some transportation services in the South, such as that associated with ferry service, was contrasted with lower territorial subsidies for transportation services in the North.
• While satellite technology is a critical infrastructure enabling communications and transportation in the North, despite investments in satellite technology, services are not fully subscribed. There are needs associated with increasing satellite coverage, which includes managing investment risks.
• Some efforts to grow northern airlines’ business with routes into the U.S. have been challenged by the fact that the older aircraft are not allowed to fly into the U.S.
• Today, the concept of developing transportation networks linking Canada geographically as a “public good” has disappeared. The user-pay principle works in the South because of its economies of scale; however, the North may not support the same conditions.
• An application of a “northern lens” on regulations in the North could enable transportation providers to continue to provide viable services while making much needed capital investments. Historically, as air travel developed in the South in the 1960s, governments regulated airline competition on the many long, thinly travelled southern routes. Similar regulatory approaches may be needed today in the North given the very limited demand.

2. What are the transportation challenges that get in the way of economic development potential in the North? What innovative approaches would address these challenges? Is a corridor development approach appropriate for the North?
• The infrastructure deficit in the North has implications for both economic opportunities and transportation safety.
• Given the North’s dependence on aviation and shipping, support was expressed for the development of a long-term strategic transportation infrastructure plan for the North. It was felt that if the federal government were to make specific investments, as was done in building up East-West transportation infrastructure a century ago, it could spur economic development in the North (especially in the mining and fisheries sectors).

• It was noted that relationships should be prioritized between Indigenous people and governments, and not just between different levels of government.

• Work done to date in developing the concept of Northern Marine Transportation Corridors was noted; however it was felt the corridors focused on traffic lanes instead of communities, where it was considered that incidents were more likely to occur and where more infrastructure investment was needed. It was suggested that a working group could be formed (including industry and key federal departments) to determine priorities and develop an action plan.

• It was noted that government procurement should support northern transportation providers. With the support of government business, northern operators are better able to compete, hire local staff, and invest in equipment.

• The resource sector could be a significantly larger contributor to Nunavut’s economy. The population of Nunavut is growing at nearly twice the national average rate, year after year, and in 2015 Nunavut had the fastest growing population in Canada, coupled with Canada’s highest unemployment rate. Resource development in northern Canada holds great potential for creating the wealth required to put unemployed residents to work, to help increase economic self-reliance and to make our territories stronger contributors to Canada.

3. What are the most pressing concerns with transportation safety in northern conditions and the impact of transportation on the northern environment? What actions could be taken to address these concerns?

• The absence of basic marine infrastructure in communities, such as docking facilities, lighting and safety measures at beach-side cargo unloading areas, creates challenges in terms of safety, environmental hazards, and efficiency losses. This situation also makes unloading cargo much slower. These additional costs are passed onto communities through higher freight rates.

• It was noted that other regions facing similar conditions, such as Greenland, have permanent port infrastructure in place.

• Navigators in Canada’s Arctic operate in difficult conditions, including weather, high tides, and ice.

• A number of service gaps were raised with respect to marine safety in the North, including availability of precise meteorological information; nautical charts and bathymetric data; and aids to navigation. Without adequate services such as these, operational decisions are based on poor information, raising safety risks.

• The Canadian Coast Guard’s presence in the North is considered vital; however, there are concerns about the Coast Guard’s ability to respond to marine emergencies in the North.
• Some communities have invested in their own search and rescue boats. New opportunities are emerging given the Canadian Coast Guard is partnering with emergency responders in the North to build up the Coast Guard auxiliary, extending the reach of first responders. The Canadian Coast Guard is also leading a search and rescue needs analysis, and integrating additional factors for the North, such as weather and ice.
• It was noted that as icebreakers go through life-extension maintenance, they are being outfitted with multi-beam scanners to collect bathymetric data, which will eventually lead to updated nautical charts.

4. What are the most pressing transportation challenges resulting from climate change? In what specific areas can public and private interests work together to improve the situation?

• Northerners – particularly hunters, gatherers, and fishers – are feeling the effects of climate change and noticing changes in the extent and quality of sea ice. While they are directly impacted, there is a feeling that they do not have the resources or capacity to be sufficiently involved in solving the problem of climate change.
• The fundamental differences in engineering infrastructure between the South and the North need to be recognized, regardless of the effects of climate change. The continued application of southern standards in the North often results in infrastructure failure.
• There needs to be recognition by engineers and many construction companies that southern engineering standards cannot be directly applied in the North. Specific northern conditions need to be taken into consideration. While there are efforts to develop new permafrost standards through the Canadian Standards Association, there is a lack of permafrost engineers to undertake the work required.
• In addition to the overall warming trend, weather has become much less predictable. There is a lack of good data, which contributes to uncertainty in the climate models for the north. This uncertainty has significant influence on design and decisions for northern infrastructure. As such, investments in improved and strategic weather / climate monitoring initiatives tailored towards infrastructure projects would be very beneficial for dealing with northern transportation challenges in the future.
• Experience to date suggests that, with climate change impacts in the North, more Coast Guard capacity is needed to deal with the increased unpredictability of ice coverage. In addition, as more southerners perceive the region as being ice-free, more risk takers and adventurers could be looking to ply Northern waters in various kinds of vessels, potentially increasing safety risks and the demand on Canadian Coast Guard services.