

GETTING TO YES: THE CANADIAN NORTHERN CORRIDOR CONCEPT

2018 Energy Leaders Roundtable
Kananaskis, Alberta

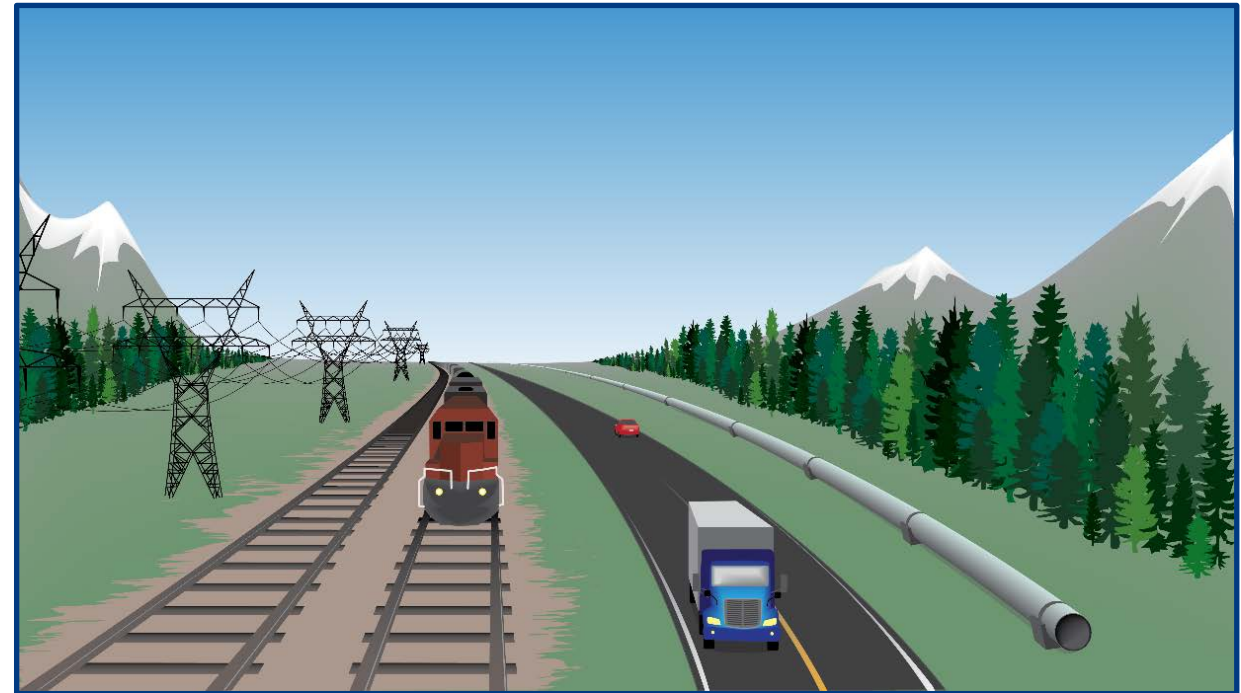
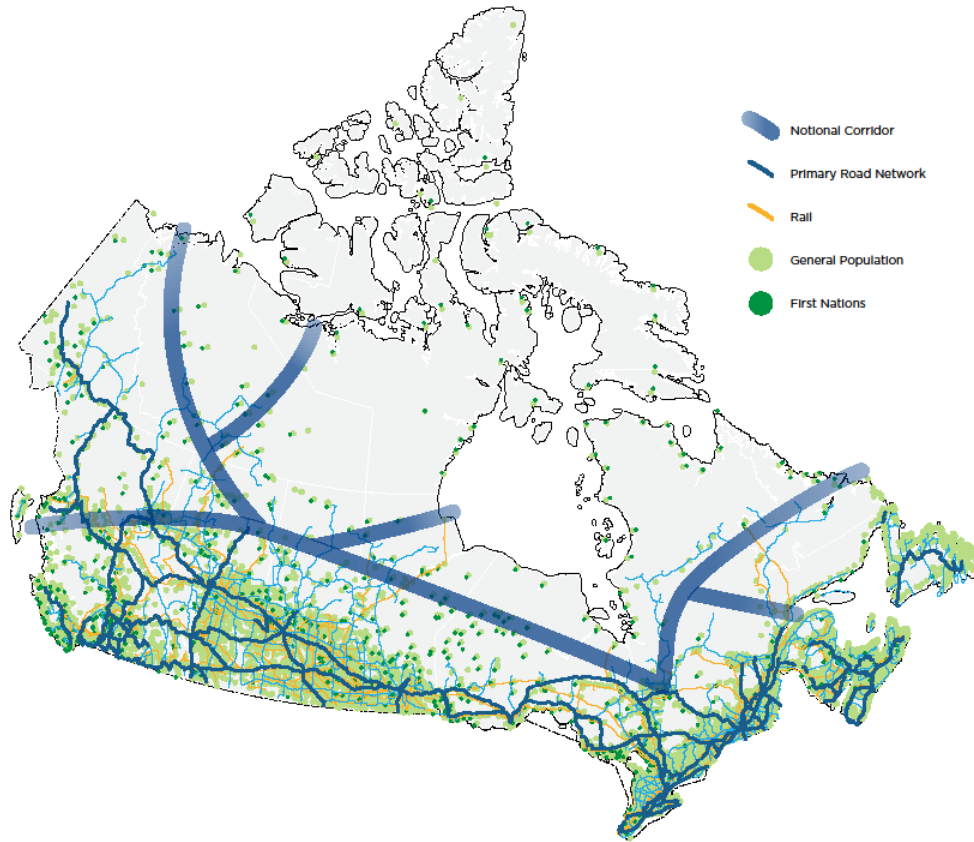
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THE POLICY PROBLEM

- Canada faces policy fragmentation in developing new infrastructure
- Consequences of this policy environment:
 - Lost investment, economic activity and government revenues
 - Research from The School of Public Policy estimates annual gains of \$6.5 billion from improved transportation infrastructure
 - Increased attention from the public has led to an erosion of confidence in established procedures and processes
 - Congestion in existing transportation corridors, limiting internal and external trade
 - Transportation of dangerous goods through population centres

CANADIAN NORTHERN CORRIDOR: THE CONCEPT

- Establishment of permissible corridors: defined multi-modal rights-of-way with an accompanying regulatory and governance structure.
- Long-term solution to geographic, political and economic challenges, providing growth and diversification via:
 - Creating the opportunity for use of new technologies and innovation
 - Providing certainty for development and investment
 - Access to rapidly expanding international markets
 - Reducing interregional trade barriers
 - Enabling access to un- and underdeveloped Canadian resources
 - Enhancing Indigenous and northern development opportunities
 - Strengthening Canada's infrastructure grid
 - Supporting northern security objectives.



THE APPROACH

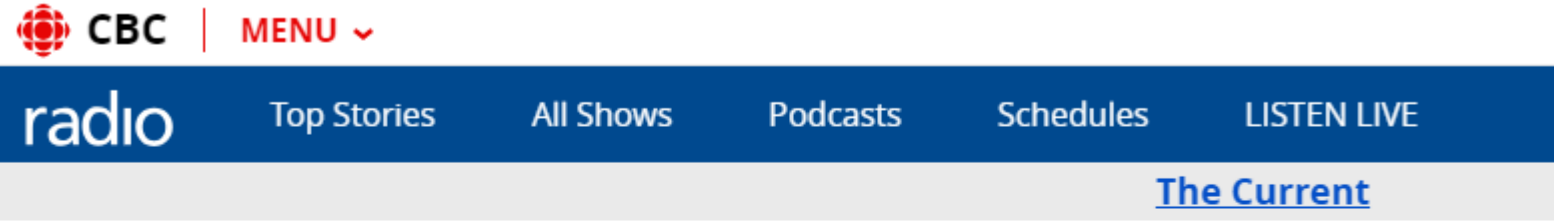
- Detailed and extensive studies to address the physical, financial, public policy and governance dimensions as well as strategic implications and the socio-economic and environmental impacts
- Collaboration with Indigenous communities and organizations to support their development objectives and enable a prosperous future
- Research supports strategic objectives of governments and industry

CANADIAN NORTHERN CORRIDOR: WHY?

- Congested southern corridor with dated infrastructure

Compared to the current piecemeal, non-

- Lack of market to fastest growth



ces, facilitating

- Challenges development

New Tuktoyaktuk road life-changing for Arctic community

ough multi-

print

ire and promote

- Accommodate long run growth in population and the economy

- Enhance safety and security
- Provide certainty for development and investment

WHY PURSUE THE CORRIDOR APPROACH NOW?

- There is urgency to demonstrate that Canada can overcome the paralysis and fragmentation in infrastructure development, a significant contributor to Canada's loss of competitiveness.
- Renewed Government of Canada focus on infrastructure
- Governments of Northwest Territories, Yukon and Nunavut are prioritizing infrastructure corridors.
- Supports the Government of Canada's regulatory reform agenda, specifically regarding regulation of transportation and infrastructure.
- Promotes regulatory certainty, de-risking the regulatory process for infrastructure investment in Canada and prepares the way for privately-funded and economically driven projects.
- Supports closing of socio-economic gaps in Indigenous communities through improved infrastructure, economic development opportunities and job creation

CANADIAN NORTHERN CORRIDOR: FOUNDATIONAL QUESTIONS

- **Cost:** What is the cost of such a corridor?
 - How might it be financed?
 - What is the role of government versus private corporations?
- **Legal:** how does the corridor concept align with Canada's existing legal framework, including Indigenous self-determination?
- **Feasibility:** Is it even possible, given Canada's existing challenges with developing new infrastructure?
 - How can a corridor succeed when one-off projects cannot?

RESEARCH AGENDA

Strategic and Trade Dimensions

1. Arctic sovereignty and national purpose benefits
2. The case for transportation systems in Northern development
3. International trade and investment implications

Geography and Engineering

1. Mapping and visualization of corridor dimensions
2. Engineering challenges and routing options
3. The potential for transportation system rationalization
4. Potential construction timelines and costs

Funding and Financing Dimensions

1. Private- and public-sector business cases
2. Equity and debt financing options
3. Potential private sector, government and Indigenous participation

Legal and Regulatory Dimensions

1. Federal, provincial and territorial legislative and regulatory approaches
2. Land ownership and right-of-way issues
3. The case for project-specific expenditure programs

Organization and Governance

1. Oversight and accountability
2. Community consultation and engagement mechanisms
3. The case for inclusive project-specific institutional arrangements

Economic Outcomes

1. Potential overall impact on the Canadian economy
2. Potential regional economic impacts
3. Potential industrial impacts by sector

Social Benefits and Costs

1. Potential impact on life in the north – jobs, cost of living, social amenities
2. Potential impact on Indigenous groups and communities
3. Potential impact on life in the south from transportation system rationalization

Environmental Impacts

1. Potential net overall environmental impact
2. Policy options for mitigating impacts
3. Policy options for environmental assessment

SUPPORTING ORGANIZATIONS AND ENDORSEMENTS

- Senate Standing Committee on Banking, Trade and Commerce
 - 2017 report “National Corridor: Enhancing and Facilitating Commerce and Internal Trade” recommended \$5 Million in funding.
- Minister of Transportation’s response to “National Corridor” Senate report
 - Supported the Senate recommendations
- Denendeh Investments Incorporated, representing the for-profit investments made collectively by the Dene First Nations of the Northwest Territories on behalf of the people of Denendeh
- Government of Northwest Territories
- University of Calgary faculties of business, engineering and law
- Centre for Interuniversity Research and Analysis of Organizations (CIRANO; comprises several Montreal-based universities)
- Social Sciences and Humanities Research Council
- Edmonton Chamber of Commerce
- Alberta Chambers of Commerce
- Canadian Chamber of Commerce