

Common Voice Northwest

672 Churchill Place, Thunder Bay, ON P7C 5Y8

Ph: 1-(807) 474-0926 **Fax:** (807) 474-0881

Email: ianangus@tbaytel.net

Chair: Barry Streib **Executive Director:** Iain Angus

Phase 1 Report for the Northern Ontario Multimodal Transportation Strategy

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Melissa Evers
Team Lead
Ministry of Transportation
Policy and Planning Division
Transportation Planning Branch
Environmental Policy Office (Toronto)
777 Bay Street
Suite 3000
Toronto Ontario
M7A 2J8

contact@nomts.ca.

Dear Ms. Evers

Common Voice Northwest, through its Transportation Task Force, has reviewed the Phase 1 Report for the Northern Ontario Multimodal Transportation Strategy and has identified a number of areas and approaches that should be included in the ongoing development of the overall strategy. The Task Force consists of a number of individuals with extensive knowledge and experience in all modes in the Northwest.

The following are our recommendations as to what the Multimodal Transportation Strategy should encompass:

RAIL

Container Service

There is no rail based container service anywhere in Northwestern Ontario, yet both CN and CP transport containers past every community they serve in the region. Containers originating off shore or in eastern Canada and are destined for communities in the Northwest are railed to Winnipeg and trucked back to the major communities of Thunder Bay or Dryden. The same applies to containers originating to the west. In addition, regional manufacturers who could see their costs reduced if there was container pickup are also forced to truck their products to Winnipeg or Toronto to gain access to rail container services.

Recommendation 1:

Examine the relationship between the transportation operation policies of the two national railroads and the lack of container service to the major communities in Northern Ontario and identify options for providing container service to those same major communities.

AIR**Thunder Bay International Airport**

The Thunder Bay International Airport was not included in the original analysis of Northern Ontario airports because it is not a provincially funded or regulated facility. Yet, as the largest airport in Northern Ontario and the only truly 'international' airport, it is a crucial hub for both passenger and freight services to all of the communities in Northwestern Ontario.

Recommendation 2:

Examine the role of the Thunder Bay International Airports Authority in the provision of freight and passenger services to the communities of Northwestern Ontario and identify options for enhancing those services, including reducing costs of the delivery of freight and passengers to the remote communities.

Municipal and Provincial Airports

The original analysis by MTO found that a majority of the small airports were underfunded both on the operation and capital side.

Recommendation 3:

Identify options for ensuring that all municipal and provincial airports in Northern Ontario have sufficient capital and operating support to meet the needs of their communities

Air Navigation Systems

Those knowledgeable about the provision of air service in the remote north have identified the current insufficiency of air navigation and weather observation aids throughout the region and the implications on service and safety.

Recommendation 4:

Identify the locations and cost of new weather observation and air navigation technologies required to increase airport availability at those communities wholly dependent on air travel.

Recommendation 5:

Identify the locations and cost of new safety features designed to enhance the operations of small airports throughout the north

Aviation Fuel Tax

The 2014 Ontario Budget announced an increase to Ontario's aviation fuel tax by 1 cent per year for 4 years, commencing in 2014. This tax increase will further reduce Canada's already uncompetitive travel and tourism industry and is an additional burden to Northern Ontario's First Nations fly-in communities.

High fees and taxes on the Canadian aviation industry represent significant challenges for Canada businesses, governments and citizens. The Canadian Chamber of Commerce has listed "uncompetitive travel and tourism strategies" as one of the Top 10 Barriers to Competitiveness for the last two years.

Where most Ontarians are able to choose from several modes of transportation to access services (medical, cultural, financial and social) in the Greater Toronto area, this regressive tax decision further penalizes residents of Northwestern Ontario for requiring air travel to cover significant distances.

It is especially concerning here in the North, where many First Nation communities are only reachable by air for a large portion of the year. These additional taxes will be passed on to the consumer through higher airfares – increasing the cost of transportation for all goods and passengers, and further negatively impacting the cost of living for First Nations residents.

Small regional airlines such as Wasaya and Bearskin Airlines are already struggling financially due to limited passenger volumes and rising operating costs. Wasaya Airways has just emerged from a financial restructuring plan.

Many of our region's smaller communities depend on tourism revenues generated from US hunters and fishermen. There is already a large price difference between US and Canadian aviation fuel sources. An increase aviation fuel taxes will only aggravate this situation and reduce the competitiveness of Ontario fishing and hunting excursions for the US customer.

It is of particular concern that some members of the Ontario government have suggested that the increase in aviation fuel tax would be used to fund transit projects in Southern Ontario. It is simply wrong that Ontario's remote fly-in communities should be paying for transit infrastructure in the Greater Toronto Area or that one mode of transportation would be used to subsidize another.

Recommendation 6:

Exempt Northern Ontario aviation fuel from the annual one cent increase in aviation fuel taxes that was implemented in 2014.

MARINE

Over a number of decades Tourism officials in Canada and the United States have worked hard to develop a viable passenger cruise industry to serve major cities on both sides of the border on the Great Lakes. The Jones Act, is a United States federal statute that provides for the promotion and maintenance of the American merchant marine. Among other purposes, the law regulates maritime commerce in U.S. waters and between U.S. ports. This act prevents a foreign owned passenger ship from picking up passengers in the USA and delivering them to another USA port. The same restriction applies in Canada. In Canada the Coastal Trading Act provides similar restrictions. (Ships can now apply for a federal Canadian waiver to the coastal cruising act but not the Jones act in the US. Because foreign flagged ships now have their foreign workers working entirely in Canadian waters, Ship owners must present a labour market case to the Feds explaining why foreign workers have to work in Canada on the ships. The process is onerous.)

Vessel operators are drawn to destinations whereby closed loops or linear itineraries match consumer expectations for a unique and high quality cruise experience. A proposed Great Lakes passenger service could include a circuit whereby passengers could join at any point of the circuit (regardless of which side of the border their departure city is) tour both sides of the lake and return to their home port). Currently, passengers must board in only one community and return to that community (albeit being able to visit a number of cities on both sides of the border) restricting the viability and attractiveness of passenger ship service.

Recommendation 7:

Examine options for modifying the USA Jones Act and the Canadian Coastal Trading Act to allow cruise ships only to provide service to Great Lakes ports on both side of the border in order to facilitate a Canada-US circuit where passengers can board at each stop. The options identified should be shared with the Government of Canada with a recommendation for engagement with the USA Government.

St Lawrence Seaway

Fluctuating water levels along with natural silting impacts the capacity of Seaway vessels to transit the system. The lower the water depth the less cargo that can be carried impacting the overall viability of the system.

Recommendation 8:

Examine options for ensuring that the maximum draft of the Seaway is maintained. The options identified should be shared with the Government of Canada with a recommendation for engagement with the USA Government.

Recommendation 9

Examine options for the construction of a second lock at Sault Ste. Marie. The options identified should be shared with the Government of Canada with a recommendation for engagement with the USA Government.

Pilotage

Pilotage fees remain the bigger issue with fees continually increasing. Ship owners report to us that seaway fees and pilotage requirement are among the highest in the world, particularly for passenger ships. Small ships have a more difficult time amortizing the extra fees among a smaller passenger level making it more pronounced on the tariff.

Recommendation 10

Examine the implications of changes to Seaway pilotage and other regulatory costs with a view to making the system more competitive and to develop a position for the Ontario Government to take to the Government of Canada.

General Cargo

The movement of general cargo within the confined area of the Great Lakes-St. Lawrence Seaway system is a challenge due to the restrictions by both Canada and the United States on coastal trading. Significant efficiencies could be achieved if ships were allowed to serve both sides of the border.

Recommendation 11:

Examine the implications of changes to the Coastal Trading Act with a view to allowing ocean vessels more freedom to move general cargo in Canada

SURFACE**Highway Infrastructure**

Highways through Northwestern Ontario provide a strategic link between east and west as well as offering efficient transportation within the region. Significant work is underway to twin the single right-of-way corridor between the junctions of Highway 11 &

17 immediately east of the Nipigon River to Thunder Bay. This four laning, once completed, will significantly reduce the number of occasions where the east-west highway system is closed due to weather and accidents.

There is one other section of the east-west highway system where the combining of Highway 11 & 17 occurs – the junction of Highway 11/17 and 102 at Sistonen's Corners to the point where Highways 11 and 17 diverge to two separate routes towards western Canada (Shabaqua). There are no other Canadian highway routes available should this section be closed.

Highway 11 west of Shabaqua terminates at the USA-Minnesota Border and to travel to Western Canada one must travel through the USA. However, traffic can veer north on Highway 71 to connect with Highway 17 east of Kenora.

Highway 17 from the junction with Highway 71 is two lanes to Kenora and from Kenora to the Manitoba Border. Planning is currently underway to twin a section of Highway 17 from the Manitoba Border east.

Recommendation 12:

Examine options for four laning all sections of the TransCanada highway with a divided highway where Highways 11 and 17 share the same right of way and where Highway 17 is the sole connection to Manitoba and present a plan for accomplishing the four laning.

Recommendation 13:

Examine options for the long term four laning either Highway 17 between Sault Ste. Marie and Nipigon or Highway 11 between Timmins and Nipigon.

Inter-Community Bus Service

Common Voice Northwest has developed a proposal for the creation and funding of an inter-community bus service to serve all Highway 11 & 17 communities with a daily service. The report has been previously submitted to the Ministry of Transportation, Policy and Planning Division, Transportation Planning Branch Environmental Policy Office and to the Office of the Premier of Ontario.

Recommendation 14:

Examine options for providing a publicly subsidized inter-community bus system serving all road connected communities in Northern Ontario with a daily service.

GENERAL

Cap and Trade

There is a lack of understanding of the implications (both positive and negative) of the implementation of Ontario's Cap and Trade system on transportation systems in Northern Ontario. One assumes that a shifting of cargo to marine from rail and to rail from road will be of benefit but an analysis of the implications of those shifts in the terms of cap and trade should be part of the Multimodal Transportation Strategy for Northern Ontario.

Recommendation 15

Determine the implications of instituting Ontario's Cap and Trade system on transportation systems in Northern Ontario

Economic Development

The Multimodal Transportation Strategy should also include an identification of those commodities currently transport from elsewhere to destinations in Northern Ontario where there is sufficient volume to justify the creation of those commodities in the region. An overall transportation strategy should be designed to reduce the need for transportation. For example, a study was conducted in North Eastern Ontario regarding the demand for non-emergent medical transportation. The installation of new medical diagnostic equipment to serve a small geographic area was identified as the way in which the transportation of patients would be almost eliminated. The same approach should be taken with cargo. Thunder Bay is home to an important agriculture research facility that is only funded on a year to year basis. The work of this research station, will, over time, result in the development of crops that will replace current 'imports' to the region. It should be funded on a long term basis so that transportation demand can be reduced.

Recommendation 16

Identify options for relocating sources of goods being transported into Northern Ontario to locations throughout the North in order to reduce transportation demand

Efficient Use of Modes

It is recognized that marine is the most efficient mode of bulk cargo transportation – economically and environmentally. Rail is the next in terms of both economic and environmental efficiency. Truck is last. A multimodal strategy for Northern Ontario, where distances are great, should incorporate a policy of shifting cargo to the most efficient mode possible

Recommendation 17

Examine options for shifting freight from truck to rail and from rail to marine.

Conclusion

Common Voice Northwest is committed to working with the Ministry of Transportation on the development of a multimodal transportation system that best serves the people, the institutions and the business and industry of Northwestern Ontario. We will continue to monitor the work of the Ministry and will continue to provide input to the planning.

Respectfully Submitted



Barry Streib
Chair

Copy to: Northwestern Ontario Municipal Association
 Northwestern Ontario Associated Chambers of Commerce
 Michael Gravelle, MPP Thunder Bay Superior North and Minister of
 Northern Development and Mines
 Bill Mauro, MPP Thunder Bay-Atikokan and Minister of Municipal Affairs
 Sarah Campbell, MPP Kenora