

1.0 INTRODUCTION AND STUDY FINDINGS

The **Study Area** to the east and north of Lake Winnipeg is one of the last major areas in Manitoba not served by a system of All-Weather Roads. The small size of communities in this area, their remoteness, and the lack of major economic enterprise have resulted in a transportation system that has a modest capital cost, but provides an uncertain service to local residents. To address these transportation concerns, a study was commissioned by the Department of Highways and Government Services to determine the Economic Justification for an All-Weather Road in this area. Geographically, the study area extends from Hollow River on the south to Oxford House on the north; Lake Winnipeg on the west to the Ontario border.

An All-Weather Road system is expensive to build and involves a permanent commitment to maintenance and repair. The economic justification for extending the All-Weather Road system into these communities involves an assessment of least cost alternatives, net benefits associated with each alternative, and an assessment of potential economic activity created by the improved access. Other considerations are public and local community opinion, social objectives, and environment impacts.

To ensure that the study adequately addressed the numerous and at times varying interests, a Study Steering Committee was appointed to review the Terms of Reference, monitor the study progress, and examine and review the study findings. This Committee consisted of representatives from:

- Manitoba - Highways/Government/Conservation Services/Industry Trade and Mining
- Manitoba - Aboriginal and Northern Affairs/Intergovernmental Affairs
- Indian and Northern Affairs Canada
- South East Resource Development Council
- Island Lake Tribal Council
- Keewatin Tribal Council
- Manitoba Hydro

The **Technical Objectives** and **Community Consultation Objectives** of the study were to assess the costs of various travel modes associated with the present transportation system; to assess future costs and benefits that would be derived from an All-Weather Road; define stakeholder benefits; examine other indirect spin-off benefits that might accrue from an All-Weather Road; and gauge community support for the construction of an All-Weather Road on the East Side of Lake Winnipeg.

The **Study Findings** should be viewed in the context and scope of the original Terms of Reference and generally include the following:

- Only two major All-Weather Road route scenarios were evaluated. These routes included an All-Weather Road from Manigotogan to serve the entire East Side of Lake Winnipeg; and an All-Weather Road to Berens River (SERDC area), including an All-Weather Road from Norway House/Cross Lake to serve the ILTC/KTC communities.
- No specific All-Weather Road routes were actually identified; however, all communities were assumed to be provided with access.
- The estimated costs and distances for an All-Weather Road are based on conceptual plans only. More reliable cost estimates can only be established after a more detailed route location study and environmental review have been carried out.
- All-Weather Road costing essentially reflected the most direct routes and minimal travel distances/times. Hence, All-Weather Road costs could increase if more indirect routes are chosen.
- Potential environmental impacts and social issues, that were identified have not been addressed in any specific detail and will require a comprehensive review and a much greater degree of community consultation.

The **General Conclusions** of this study are:

- The existing winter road system continues to provide **marginally acceptable** service to communities on the East Side of Lake Winnipeg **in most years**, but total costs are rising with the growing population.
- The **majority** of the communities on the East Side of Lake Winnipeg appear **to support** an All-Weather Road on the basis of reduced cost of living, more reliable emergency services, improved health, education and social services, and enhanced personal travel opportunities.
- These same communities have **concerns about the impacts** of an All-Weather Road and the resulting resource development on traditional lifestyles, land use, the environment, and control over their future destinies.
- Because of rapid population growth of 2.5 to 5.0 percent/year, an All-Weather Road can be **justified** for many of the communities on the East Side of Lake Winnipeg on the basis of long-term **transportation cost savings** alone (i.e., benefit-cost rates >1.0).

A north-south All-Weather Road from Manigotogan to Bloodvein to Berens River to St. Theresa Point/Wasagamack to Garden Hill to Gods Lake Narrows to Oxford House is justified on the basis of \$65.9 M net benefits and a **benefit-cost ratio of 1.27**, assuming that currently identified new resource development takes place. Without potential forestry, resource development projects such as PFPC expansion, Bipole III, and enlarged fisheries, there is a reduced justification for the All-Weather Road (net benefits of \$12.8 M+ (benefit-cost ratio of 1.05).

- For an All-Weather Road system from the south up to St. Theresa/Wasagamack, the **economic spin-offs** related to the expansion of the forest industry, fisheries, mining, and tourism could increase the **benefit-cost ratio of the optimized main stem project to 1.5** and perhaps as high as 1.8. The estimated number of direct First Nation jobs that could be created due to the All-Weather Road construction and resulting resource development ranges from 200 to 400. Overall, total Manitoba employment could be 800 to 1000 more jobs. Social benefits related to improved health and standards of living would be additional bonuses.
- An **All-Weather Road from Norway House** (or Cross Lake) has lesser justification with a net benefit of \$7.2 M - **benefit-cost ratio of 1.04**. Its lower capital cost is offset by lower transport cost savings (freight and passenger) and lower development potential. This scenario, including the connection of Bloodvein/Berens River to the south, is justified if PFPC expansion and Bipole III projects proceed.
- **Extension** of this All-Weather Road to serve **all of** the East Side of Lake Winnipeg **communities** reduces the **benefit-cost ratio** to 1.04 and the net benefit to \$21.4 M for the route from the south. For the route from the west, the benefit-cost ratio is 0.82 with net project costs of \$61.9 M. Without the identified new resource developments, the net costs of the project would be \$32.9 M for a north-south route and \$94.6 M for an east-west route.
- Individually, for the communities more remote from the main stem of the All-Weather Road, the **extension of the** All-Weather Road to Red Sucker Lake would require relatively little new resource development. **Little Grand Rapids/Pauingassi, Poplar River, and Gods River** would **require significant resource development and socioeconomic justification**.
- Successful implementation of a **Regional Centre** for government administration/education/health and resource development in Norway House, Cross Lake, or Island Lake area could bring the **benefit-cost to near unity for the east-west route and 1.09 for a Regional Centre in the Island Lake area on the north-south route** even without new resource development.
- **Mild winter conditions** have, and are, a significant cost issue for winter road systems. If global warming forecasts are even partially correct, the **frequency of weather-related road system failures will become a regular and very expensive occurrences**.

- The forecasted **doubling of the region's population** within 20 years will put a **tremendous strain on the existing transportation/infrastructure system** and even on the social/traditional fabric of the area communities or the regional environment. A status quo scenario seems very unlikely even though some traditionalists would prefer to avoid change at any cost.
- **Traditional values/traditional land uses** will have to compete actively with the growing population/infrastructure needs of the various communities. A rational, at times compromising approach/dialogue will be required to ensure that the future development draws the best from traditional/technological sectors.
- **Environmental impacts** of an All-Weather Road can be **acceptably managed** if the appropriate steps are taken to define all the important resources in the area, to identify appropriate land uses, and to set in place a regional control process for administering access and use.
- **Socioeconomic issues** for the area communities are not inconsistent with an All-Weather Road providing that the community and regional planning processes have definitive input to the project and post project approval steps.
- A **tourism development plan** and other development strategies are needed to maximize community economic benefits.
- The communities have expressed an interest in **more extensive consultation on social, environmental, and economic issues**. Every effort should be made to facilitate this.