

9.0 POTENTIAL IMPACT OF REGIONAL CENTRES ON AN ALL-WEATHER ROAD SYSTEM ANALYSIS

Regional Centres are likely to evolve as remote communities on the East Side of Lake Winnipeg achieve All-Weather Road access. There will be a tendency for centralization of administrative and community services. Likely candidates for such centralized services are in the Norway House or Cross Lake area for a east-west road connection and the Island Lake area for either an east-west or north-south All-Weather Road connection.

The future existence of such a regional centre could affect the relative economics of an east-west All-Weather Road relative to a north-south All-Weather Road. In particular, it would affect the relative levels of air passenger traffic being diverted to individual road travel. Little or no impact would be expected in the areas of freight movement, as Winnipeg is the origin for almost all of the freight going into the region.

Within Manitoba's north, both The Pas and Thompson currently function as regional centres. While both communities support larger area populations than Norway House, Cross Lake, or Island Lake would in the future, their make-up includes the primary components of regional centres (e.g., government administration, with 150 to 200 employees; transportation hubs for road/rail/air; full medical facilities, with 15 to 20 doctors and 100± hospital beds; educational facilities, sufficient for one third of population; and substantial resource development support infrastructure).

Definition of a Full Regional Centre would probably include:

- First Nation Governments
- INAC
- Manitoba Aboriginal and Northern Affairs/Conservation/Highways
- RCMP/Justice
- Secondary and Post Secondary School
- Hospital and Related Health Care Facilities
- Manitoba Hydro/MTS
- Forest or Mining Industry Headquarters and Support Service
- Expanded Tourism and Fisheries

Issues Affecting Viability of Regional Centres that need to be recognized include:

- The willingness of Island Lake communities, Red Sucker Lake, the Gods Lake communities, and Oxford House to participate in a single delivery point.
- The concentration of population and travel demand in the Island Lake area requires that it be the primary connection point on the All-Weather Road.

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- Low likelihood that First Nation will move their governmental administrative services from Winnipeg or Thompson to a new northern centre in either Norway House, Cross Lake, or one of the remote communities.
 - Perceived need to develop a regional post-secondary school that would receive both regional and government support.
 - Perceived need to establish a regional hospital in Island Lake area to improve delivery of medical services.
 - Ability to overcome the current practice of sending patients requiring complex treatments to larger hospitals in Winnipeg or Thompson. The regional hospitals provide acute care and stabilize patients for transportation and follow-up treatments that do not require the presence of a specialist.
 - Recent decisions to put dialysis units into Norway House and one of the Island Lake communities.
 - Overcoming the difficulty faced by northern hospitals in attracting and retaining staff.

Overall Conclusions are that development of Regional Centres will likely occur as a natural by-product of the roads system. If there is an east-west system, Norway House or possibly Cross Lake, will likely become the largest centres serving the more remote communities. With the north-south link, the Island Lake communities may develop both an administrative and commercial centre serving communities to the north and east.

For the purposes of the current transportation study, however, there is very little to suggest that any of these developments will be in the near future or will involve significant impact demand for transportation. There seems to be a very low probability of establishing either a regional school system or shifting significant administrative services from Winnipeg or Thompson to any of these locations. A regional hospital in the Island Lake area offers the best prospect for reducing air traffic. This is currently under study and, while it is speculative to suggest what the outcome of that analysis might be, the best case might be a 50 percent reduction in patient air travel. (This equates to a 5 to 10 percent reduction in total air passenger travel.)

Air Travel Impacts of a Regional Centre would, at a maximum, reach the following levels:

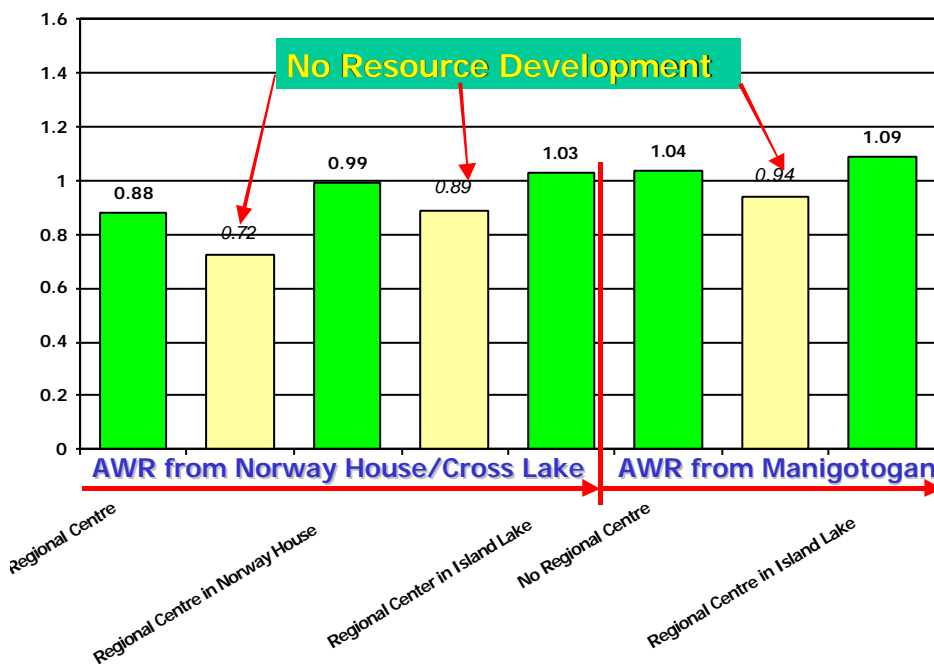
- A regional administrative/secondary education centre at Norway House or Cross Lake might reduce air passenger travel by an additional 3 to 5 percent.
- A regional health/secondary education/administrative centre at Norway House or Cross Lake, coupled with a major mining or forestry development, would reduce air passenger travel by an additional 5 to 10 percent.
- If the Regional Centre for an east-west All-Weather Road were established in the Island Lake area instead of Norway House or Cross Lake, the air passenger travel would be similarly reduced. However, individual vehicle traffic costs would be even lower because of reduced travel distances.

Potential Impacts of a Regional Centre on All-Weather Road Economics are as follows:

- Development of a Regional Centre (with full administrative/education and regional health services) in the Norway House - Cross Lake area will improve the economic justification for an east-west All-Weather Road. It could provide additional 20-year present value benefits in the order of \$50 M and produce a benefit-cost ratio of 0.99 compared to 0.82 for the (most favourable) basic analysis of the total project. Locating the Regional Centre in the Island Lake area would increase the additional benefits to \$60 M and improve the benefit-cost ratio to 1.03.
- In the context of a north-south All-Weather Road, the development of a similar Regional Centre in the Island Lake area would have a lesser impact. The benefit increase would be \$20 M and the benefit-cost ratio would move from 1.04 for the (most favourable) basic analysis of the total project to 1.09.
- Removal of the PFPC - Expansion Proposal/Bipole III project would reduce the benefit-cost ratio for the basic analysis of the complete north-south All-Weather Road to 0.91 and the basic analysis for an east-west connection to 0.72; or 0.94 and 0.89, respectively, if Regional Centres were developed.

The following figure compares the various scenario benefit-cost ratios for the total project area:

Change to Total Project – Benefit-Cost Ratio



10.0 STAKEHOLDER IDENTIFICATION

In General, the construction of an All-Weather Road on the East Side of Lake Winnipeg will provide benefits and drawbacks. While it is fairly obvious that economic benefits will flow to the First Nations communities, Government of Canada, Province of Manitoba, the resource industries, the tourist industry, and utility companies, there are other stakeholders who will experience economic drawbacks. Other groups or individuals may suffer unfavourable environmental impacts, loss of traditional lifestyles, unwelcome (or welcome) social changes, etc.

The First Nation community consultation program was supplemented by a newsletter/questionnaire sent to agencies and individuals whose commercial, recreational, scientific, and social interests might be impacted by such a road. The following figure provides a short synopsis of the responses. It was interesting to see that the resort/lodge tourism trade was not totally opposed to the concept of an All-Weather Road. Proximity of the All-Weather Road to a lodge (closer than 35 km) was, however, an issue.

Not surprising, the transport and supply industry was divided on economic lines; air services were opposed, truckers and store owners were generally supportive.

Within the resource industries, the responses appear to have been based on supporting transportation economics, trappers/fishers/logging companies all anticipated easier access and lower costs to market.

Environmental and other interest groups were largely receptive to the project if done properly. However, there were some respondents who were totally opposed to improved access to this remote area of the province.

Stakeholder Responses

	<i>Totally Opposed</i>	<i>Conditional Support</i>	<i>Totally in Favour</i>
Resorts/Lodges (11 responses)	30%	35% (35 km dist.)	35%
Transport & Supply Companies (9 responses)	33% (Air)	10% (W.R. Truckers)	57% (Trucker & Store Op.)
Resource Industries Trapping/Fishing/Forestry (5 responses)	—	—	100%
Environmental & Other Interest Groups (8 responses)	25%	75% (if done properly)	—

Major Beneficiaries of the construction of an All-Weather Road to the East Side of Lake Winnipeg communities include benefits to a variety of stakeholders. These can be broadly grouped as follows:

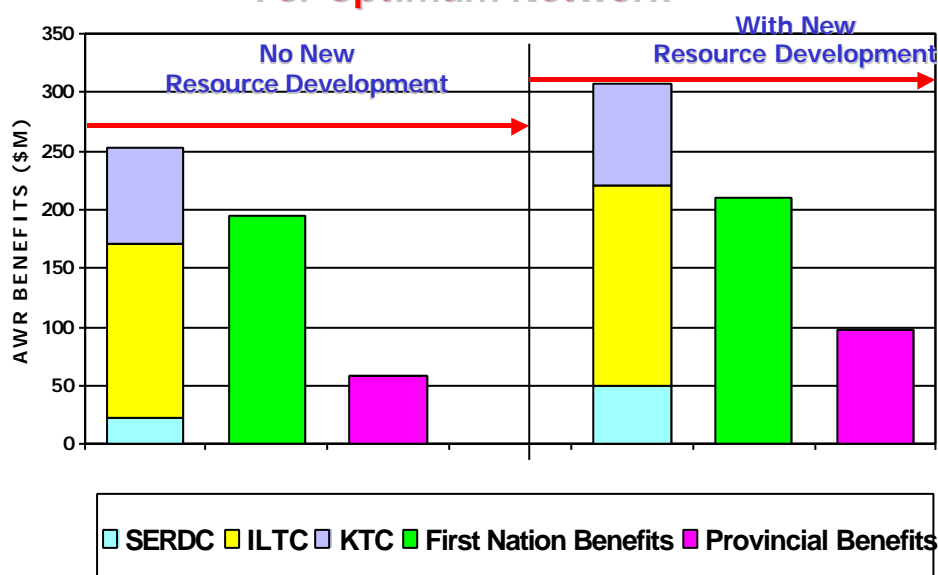
- Government of Canada
- First Nations Communities
- Government of Manitoba
- Resource Industries
- Power and Communication Utilities/Lodges

Because of the predominance of First Nations people within the region, it would appear that the First Nations/Federal Government will recoup more than 90 percent of the benefits related to the movement of freight and probably gain two thirds of the benefits related to the movement of people within/into/out of the communities or the economic spin-offs/employment growth created by an All-Weather Road.

Resource industries, utility service, tourist lodges, and the provincial government will benefit from particular sections of the road that help reduce resource extraction costs, reduce utility maintenance and operating costs, and provide cheaper access for the tourism trade.

For the Optimum Network (Main Stem) of an All-Weather Road with a \$292 M estimated construction cost, Stakeholder Benefits Allocation (Twenty-Year Present Value) are presented for the existing situation and new resource development scenarios.

Transportation Benefits/ Stakeholder Allocation For Optimum Network



11.0 COMMUNITY INTERESTS AND CONCERNS

Community Viewpoint - Individual Community Meetings can be summarized as follows:

- Communities serviced with barges (Bloodvein, Berens, and Poplar Rivers) generally have a better transportation system than the more isolated communities, but these communities lose their transportation system at break-up and freeze-up for 8 to 12 weeks each year. In addition to the costs this imposes on the community, the lack of transportation in the late fall months interferes with the commercial fishing industry.
- The more isolated communities with no access to Lake Winnipeg barge services are faced with even more substantial difficulties. The winter road season is short and unpredictable making it difficult to plan major projects. The current system results in a very high cost of food partially due to the fact that stores have to finance and inventory the purchase of their non-perishable items that come in on the winter road. Failure to bring goods in on the winter roads results in extremely high air freight costs. Either way, community members are faced with costs so high that they impact their quality of life. It was noted that the winter road system also imposes inter-community isolation. Travel from one community to another, for most of the year, requires either chartering a plane or flying to Winnipeg on a scheduled service and then back to the destination community. This is prohibitively expensive and has broken contact between communities. The cost of air fare also means that visiting children who are away at school and/or other Band members living outside the community is near impossible.

Responses received regarding the existing winter road are generally summarized as follows:

- Winter road season is short and unpredictable
- Rough winter road surface is hard on vehicles
- Goods are often damaged in transit
- Very long travel times
- Air Freight and passenger fares are expensive
- No inter-community flights
- Airports in some communities require over-water travel
- Cost of air freight for perishable food items is very expensive
- Barge system is near end of life
- Personal boat travel on Lake Winnipeg is dangerous

Major Concerns about an All-Weather Road centred around three themes: land use issues; potential social impacts; and concerns about environment. Each of these issue areas was regarded as being significant and needs to be dealt with in a substantive way if the road is to proceed. In several communities there was a request for the study team to have additional meetings to discuss some, or all, of these issues in more detail even for the purposes of the scoping study.

Perceived Issues include:

- Lack of control over natural resource development/loss of traditional land
- Increased hunting and fishing pressure/impacts on trap lines
- Social impact issues/major change in lifestyle
- Concern about drugs and alcohol/gang development
- Environmental impacts on water quality and wildlife

Perceived Benefits of an All-Weather Road include:

- Reduced cost of living/improved diet and better health
- Reduced cost of construction for housing and community infrastructure
- Improved Inter-community contacts/reduced isolation
- Economic development opportunities
- Reduced cost of transportation/reduced travel times
- Opportunities to visit children who are away at school and to visit hospital patients
- Reduced travel times

Natural resource development, particularly forestry and mining, was a significant issue. It received qualified support subject to financial participation, local controls on development, and substantial public consultation during the planning process.

Overall, there is **General Support** for an All-Weather Road. Support varied from strong to cautious, but usually qualified. Assurances are needed respecting control over local resources. Participation in highway construction and maintenance is important, as is maximizing community benefits. The need for in-depth community consultation on specific issues is suggested.

Specific Community Reactions are summarized in the following table:

	Strong Support	Qualified Support	Significant Reservations	Unknown or Uncertain
Bloodvein			●	
Berens River	●			
Poplar River		●		
Little Grand Rapids			●	
Pauingassi				●
St. Theresa Point	●			
Wasagamack	●			
Garden Hill				●
Oxford House	●			
Gods Lake Narrows	●			
Gods River				●
Red Sucker Lake		●		

For the ILTC and KTC communities, there was no overall consensus on whether the All-Weather Road should be east-west to Norway House/Cross Lake or north-south via Manigotogan. Oxford House definitely preferred an east-west route, but within the other communities visited, the focus, while less route-specific, was on achieving the maximum possible benefits.

12.0 IDENTIFICATION OF ENVIRONMENTAL AND SOCIAL CONCERNS

An All-Weather Road on the East Side of Lake Winnipeg could potentially have significant impacts on the environment and the social fabric. It is therefore important at this stage to identify the general categories of impacts that would accompany the implementation of such a project.

While these actual impacts will be considerably different for an All-Weather Road originating at Manigotogan than for an All-Weather Road coming from Norway House or Cross Lake, the following activities will have to be addressed in either case:

- Land Use Planning
- Route Selection
- Environmental Impact Assessments*
- Preliminary Design
- Right-of-Way Acquisition
- Final Design
- Environmental Approvals*
- Tendering/Employment Strategies
- Construction (staged to minimize impacts)
- Mitigation
- Operation and Maintenance

* including the appropriate Federal Process.

Potential Physical and Habitat Impacts can generally be categorized as follows:

a) Preconstruction and Construction

Activities that will require special attention are stream crossings and vegetation/drainage and borrow pits/ access roads and embankments/noise, dust, and chemicals/camp sites and fuel handling/wildlife conflict. These will apply regardless of the actual physical alignment of the roadway corridor.

b) Route Location

Particular concerns that will influence route location on an All-Weather Road from Manigotogan include:

- Bloodvein/Leyond/Pigeon River Heritage Status
- Forest Management Issues/Firefighting
- Numerous Stream Crossings
- Poplar/Nanowin Rivers Park Reserve
- Hudwin Lake Area (including wild rice harvesting)
- Various Lodges/Outfitter Camps
- Registered Traplines/Commercial Fishing Lakes
- Caribou Migration Routes
- Traditional Hunting Grounds
- Heritage/Archaeological Concerns
- Community Proximity at Bloodvein/Berens River/St. Theresa Point/Wasagamack/Gods Lake Narrows (traffic through communities)
- Potential Mining Finds

An All-Weather Road from Norway House or Cross Lake would have many of the same or similar concerns, plus specifically Nelson River Crossing and Molson/Stevenson Lakes; with greater focus on mineral exploitation and less on forestry development.

c) Consequential Physical/Habitat/Socioeconomic Impacts will generally be the result of resource development. Greater mobility will create new opportunities for resource development, resource exploitation, forest firefighting, new settlements, and tourism. Some of these results will be net benefits and are listed as follows:

- Access to hunting/fishing/tourism/lodges
- Access for exploration/mining/forestry firefighting
- Access for new reserve settlements/new business

The following issues however may be negative:

- Unauthorized roads.
- Off-reserve settlements.

d) Service Consequences could also be viewed as negative:

- Reduced air service
- Higher cost air service
- Reduced or total loss of barge service on Lake Winnipeg
- Declining value of airstrips; possible closure of some.

e) Employment Opportunities

The All-Weather Road construction and maintenance will produce new job and job training opportunities. An All-Weather Road will drastically increase road transport and create some service industry employment.

If a regional service centre is created, it would offer more opportunities for employment in the health/education fields.

Resource development is likely to be the largest job creator. This could happen in either the forestry or mining sectors, depending on the route chosen; increased fisheries are also possible, especially for a southern route.

Tourism could, with an appropriate regional plan, create new jobs in specific areas. Growth of some existing lodge operations would have a similar effect.

f) Socioeconomic Values

Throughout the region and in each of the communities, an All-Weather Road, while it has the potential for new economic opportunities and a more affordable/better standard of living, will also result in losses. These will likely be most significant in the areas of Wilderness Setting, Traditional Lifestyles, and Traditional Values. Considerable planning and effort will be required to minimize these losses.

Local participation in Resource Management, Financial Partnership Ventures, Community Health/Education/Justice will be important if an All-Weather Road is going to benefit the existing communities. Longer range population growth will put great pressure on existing resources with or without an All-Weather Road. Planning strategies may need to be developed to deal with either scenario.