

BACKGROUNDER

TRANSPORTATION INFRASTRUCTURE IMPROVEMENTS IN THE NORTHWEST TERRITORIES

The Government of Canada will invest \$65 million in transportation infrastructure improvements in the Northwest Territories through the Canada Strategic Infrastructure Fund (CSIF). An initial \$20 million contribution will go to three highway projects included in the Northwest Territories' *Corridors for Canada* proposal.

This contribution will be subject to the requirements of the *Mackenzie Valley Resource Management Act*, which will set out terms and conditions of the environmental approval.

Mackenzie Valley Winter Road Bridge Construction

This project includes the construction of 10 permanent bridges along the Mackenzie Valley Winter Road between Wrigley and Norman Wells. Bridges will be built at Strawberry Creek, Bob's Canyon, Blackwater River, No Name Creek, Little Smith Creek, Big Smith Creek, Notta Creek, Christina Creek, Hellava Creek, and Francis Creek.

In addition, funding will be provided towards research into practical solutions for the major crossing at Bear River.

The new bridges will extend and stabilize the operational window of the Mackenzie Valley Winter Road, which is used for community access and resupply, as well as for oil and gas exploration activities, by alleviating operational problems and environmental concerns associated with ice bridge construction. Extension of the winter road season will facilitate oil and gas exploration and pipeline construction in the north, and create local employment and business opportunities for northerners, including Aboriginal people.

The Government of Canada will contribute half of the eligible costs of this project, up to \$5.7 million.

Dempster Highway (Highway No. 8) Upgrading

The reconstruction will encompass straightening the road; widening embankments to improve road geometrics; and correcting drainage and permafrost problems. There will also be granular resurfacing and surface stabilization to meet the needs of increasing commercial, industrial and tourist traffic using this highway. The highway also provides access to the Beaufort Delta for the oil and gas industry.

The Government of Canada will contribute half of the eligible costs of this project, up to \$8 million.

Slave Province Transportation Corridor Upgrading (Highways No. 3 and No. 4)

This project, which will result in increased safety, better access for the diamond mining industry, and enhanced tourism opportunities, includes the following improvements:

- **Highway No. 3:** Reconstructing and paving the remaining 30 km section of highway between Rae and Yellowknife is the highest priority for the Territory. This section is the only unpaved part of the National Highway System, and has the highest traffic volumes of the Territories' intercommunity highways.
- **Highway No. 4:** Improvements will be made to the geometrics of the Ingraham Trail, which are currently the worst in the Territory. Poor surface and geometric conditions, in combination with increased truck traffic, are creating concerns for safety.

The Government of Canada will contribute up to \$6.3 million towards the eligible project cost.

Government of Canada Infrastructure Funding Sources

Through the Canada Strategic Infrastructure Fund, the Government of Canada works with provincial, territorial and municipal governments, as well as with the private sector, to meet strategic infrastructure needs throughout the country. Initially funded at \$2 billion, CSIF supports large-scale strategic infrastructure projects that improve quality of life and further economic growth. In 2003, the Government of Canada provided an additional \$2 billion for the Fund to support program priorities including water quality and access, trade corridors, broadband connectivity, sustainable urban growth and northern infrastructure. The northern category has been introduced to allow the Government of Canada more flexibility in identifying strategic projects in the North eligible for funding under CSIF.

The national priority projects component of CSIF, announced in Budget 2003, provides \$200 million to support projects of national importance that require the Government of Canada to take a leadership role. This is the second project earmarked for funding under the CSIF's "national priority project" component. By facilitating access to resources in the Northwest Territories, the highway improvements announced today will bring benefits to the North, and to all Canadians.

The Northwest Territories will also receive \$15 million from the Municipal Rural Infrastructure Fund (MRIF) announced on August 20, 2003. The \$1 billion MRIF will respond to the specific needs of Canada's municipalities and rural and remote areas. The Fund also includes a component targeted to First Nations' infrastructure needs that will

specifically help foster economic development opportunities and improve quality of life of Aboriginal people who live on-reserve.

MRIF will have a green infrastructure focus and will target projects such as water and wastewater treatment infrastructure, municipal environmental energy improvements, public transit infrastructure and solid waste treatment infrastructure. Other eligible categories under this fund are cultural, tourism and recreational infrastructure, local roads and broadband connectivity.

In the Speech from the Throne of September 30, 2002, the Government of Canada committed to an additional 10-year involvement in public infrastructure. Its Budget 2003 re-affirmed this long-term commitment and provided an additional \$3 billion in infrastructure support, thus bringing the Government of Canada's contribution to infrastructure to \$12 billion since 1993.