

## Supporting Canada's Growth and Access to Markets by Developing a Northern Infrastructure Corridor

### Issue

Dedicated funding to advance the development of a feasibility study and proposed implementation plan for a Northern Transportation Utility Corridor (TUC) would support Canada's long term economic development and strategic trade interests.

### Background

Canada's birth, growth and development is interwoven with major infrastructure projects including trans-continental railways and highways. Going forward, establishing Transportation Utility Corridors (TUC's) will be critical to the effective long-term planning and infrastructure development to support continued prosperity for Canadians. TUC's reduce land-use conflicts, reduce environmental impacts, and provide development certainty to attract private sector investment and reduce infrastructure costs to the public.

Currently, the oil and gas industry is realizing lower prices because current infrastructure limits exports to destinations outside of the United States, which receives 99% of Canada's oil exports<sup>1</sup>. Scotiabank reported delayed oil pipeline construction will cost the Canadian economy \$10.7 billion in 2018.<sup>2</sup> The benefit of better access to markets and regulatory streamlining for major projects is clear, but Canada has struggled to overcome obstacles such as regulatory red tape and obstruction by local political interests.

In June 2017, The Standing Senate Committee on Banking, Trade and Commerce published a report "National Corridor: Enhancing and Facilitating Commerce and Internal Trade" after studying and consulting on the topic. The report highlights some significant challenges Canada faces in optimizing trade opportunities and long term economic development: limited access to tidewater to export goods, a lack of ports and routes in Canada's North and regulatory approval processes that are a significant impediment to development, particularly for large projects that cross provincial boundaries.<sup>3</sup>

One of the key recommendations of the Senate Committee was to fund research intended to provide public decision-makers with evidence-based analysis and proposals to overcome systemic barriers to growing Canada's internal and foreign trade. Specifically, the committee recommended that the federal government fund research being conducted by the University of Calgary School of Public Policy and the Centre for Interuniversity Research and Analysis of Organizations (CIRANO) which published a paper in May 2016 proposing the development of a Northern Corridor right-of-way in Canada's north and near-north reaching all three Canadian coasts.

The proposed 7,000 km Transportation Utility Corridor (TUC) right-of-way could accommodate road, rail, pipeline, electrical transmission and communication infrastructure, enhancing opportunities for geographically distributed economic development and access to new markets.<sup>4</sup> In addition to improving the movement of goods and market access for Canadian products, a northern infrastructure corridor could significantly benefit Canada's North by lowering the cost of living, providing new business and employment opportunities, and possibly allow northern communities to access higher-efficiency and more cost-effective electricity grids in the south. Studies have shown that the cost of living in Yellowknife

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<sup>1</sup> <http://www.nrcan.gc.ca/energy/facts/crude-oil/20064>

<sup>2</sup> <http://business.financialpost.com/commodities/energy/scotiabank-says-pipeline-constraints-to-cost-economy-10-7-billion-in-2018>

<sup>3</sup> [https://sencanada.ca/content/sen/committee/421/BANC/reports/CorridorStudy\(Final-Printing\)\\_e.pdf](https://sencanada.ca/content/sen/committee/421/BANC/reports/CorridorStudy(Final-Printing)_e.pdf)

<sup>4</sup> <https://www.policyschool.ca/wp-content/uploads/2016/06/northern-corridor-sulzenko-fellows.pdf>

and Whitehorse is 33% higher than the average in Canada, with transportation costs contributing significantly.<sup>5</sup>

The Senate report noted that an initiative on this scale requires strong leadership and multiple in-depth studies to support what would likely be decades of investment. For this reason, the Committee recommended the federal government: provide a grant of \$5 million to the School of Public Policy and CIRANO for their research program, ensure that Indigenous groups are involved in the research program, receive an interim report on the research within 18 months, and establish a Task Force to conduct consultations following the submission of the final report.

Broadly shared economic growth and future development will be determined by our ability to recognize and undertake visionary plans which support the continual improvement of transportation, movement of goods, communications and energy infrastructure. The business community believes the federal government can provide strong leadership by acquiring all the right-of-ways needed for the kind of farsighted planning and infrastructure investment needed to enable Canadians' long-term prosperity.

**Recommendations:**

The Edmonton Chamber of Commerce recommends the federal government, along with provincial, territorial, municipal and First Nations governments:

1. Support further research into the proposed northern infrastructure corridor.
2. Establish an integrated, national Transportation/Utility Corridor network plan with the aim to enable efficient market access for goods and services from all provinces and territories to any Canadian coast.
3. Coordinate and secure the appropriate right-of-ways to enable an integrated, national TUC network, consistent with the principles and objectives outlined by the Northern Corridors Initiative.
4. Ensure that the processes for moving forward follows best practices for consultation with Indigenous communities, existing landowners, municipalities and businesses.

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<sup>5</sup> <https://lop.parl.ca/Content/LOP/ResearchPublications/prb0866-e.htm>