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CANADA

A PATH TO GROWTH: INVESTING IN THE NORTH

**Report of the Standing Committee on Indigenous and
Northern Affairs**

Honourable MaryAnn Mihychuk, Chair

**APRIL 2019
42nd PARLIAMENT, 1st SESSION**

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**Hon. MaryAnn Mihychuk
Chair**

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NOTICE TO READER

Reports from committee presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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THE STANDING COMMITTEE ON INDIGENOUS AND NORTHERN AFFAIRS

has the honour to present its

EIGHTEENTH REPORT

Pursuant to its mandate under Standing Order 108(2), the Committee has studied northern infrastructure projects and strategies and has agreed to report the following:

TABLE OF CONTENTS

TABLE OF CONTENTS.....	VII
SUMMARY.....	1
LIST OF RECOMMENDATIONS.....	3
A PATH TO GROWTH: INVESTING IN THE NORTH.....	5
Introduction.....	5
Background.....	6
Unique Characteristics of the Arctic.....	6
Emerging Challenges.....	9
Current State of Infrastructure.....	9
Transportation Infrastructure.....	10
Marine Transportation.....	11
Ground Transportation.....	13
Air Transportation.....	14
Energy Infrastructure.....	15
Telecommunications Infrastructure.....	17
Housing and Community Infrastructure.....	18
Emerging Issues Related to Northern Infrastructure.....	20
Climate Change in the Arctic.....	20
Natural Resources Development in the North.....	21
Sovereignty in the Canadian Arctic.....	22
Responding to Urgent and Emerging Needs.....	22
Importance of Local Priorities.....	22
Federal Infrastructure Funding.....	23
Diversifying Power Generation in the Arctic.....	25
Taking Action on Climate Change.....	26

Accessibility.....	28
Conclusion.....	28
APPENDIX A LIST OF WITNESSES.....	29
APPENDIX B LIST OF BRIEFS.....	33
REQUEST FOR GOVERNMENT RESPONSE.....	35
DISSENTING OPINION OF THE NEW DEMOCRATIC PARTY OF CANADA.....	37
DISSENTING OPINION OF THE CONSERVATIVE PARTY OF CANADA.....	39

SUMMARY

Throughout the Arctic, most communities still lack some of the basic infrastructure people often take for granted in the rest of the country. This situation directly affects the region's residents. Due to the lack of transportation infrastructure, northerners pay substantially more for their goods and services such as food. The electricity rates they pay are also the highest in the country, as they rely mostly on expensive fuel to heat their homes and to operate their businesses. Furthermore, northern communities are facing a housing crisis and are still mostly underconnected – or even unserved – by digital infrastructure. Together, these factors significantly hinder socio-economic development.

On 24 September 2018, the House of Commons Standing Committee on Indigenous and Northern Affairs (the Committee) decided to undertake a comprehensive study of northern infrastructure projects and strategies in the context of possible federal support. With the evidence gathered in October and November 2018, the Committee prepared this report in which it makes several recommendations to the Government of Canada on how to improve the way it supports infrastructure development and maintenance in the North.

LIST OF RECOMMENDATIONS

As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.

Recommendation 1

That the Government of Canada include in its forthcoming Arctic Policy Framework a co-developed process to ensure local and Indigenous perspectives are taken into account in the development and maintenance of northern infrastructure. 23

Recommendation 2

That the Government of Canada consider distinct and northern-specific infrastructure funding; that funding criteria and disbursement mechanisms reflect the realities of the Arctic, such as higher construction and shipping costs, the smaller size and remoteness of communities, and the need to improve the pace of funding decisions; and that this funding and its parameters support the goals of local, territorial and Indigenous governments. 25

Recommendation 3

That the Government of Canada implement, in partnership with northern communities, programs to ensure energy security and to transition away from the use of diesel fuel for power generation; and that during the transition towards cleaner sources of energy, the Government of Canada work to improve the reliability and efficiency of power plants awaiting to be replaced..... 26

Recommendation 4

That the Government of Canada, in partnership with its local, territorial and Indigenous partners, ensure the sustainability and climate resiliency of northern infrastructure by requiring that climate vulnerability assessments be carried out on northern infrastructure projects; and that the results of these assessments serve to inform adaptation actions that address potential risks associated with a changing climate..... 27

Recommendation 5

That the Government of Canada recognize the pressing need to take real action to combat climate change and ensure that the implementation of carbon pricing in the Arctic is flexible enough to meet the needs of households, businesses and local governments; further, that it ensure that carbon pricing, or any other climate change adaptation measures, does not place an excessive financial burden on northerners. 27

Recommendation 6

That the Government of Canada, recognizing that building accessible infrastructure is essential to providing equal opportunities for all northerners, ensure that accessibility assessments are carried out on northern infrastructure projects..... 28



A PATH TO GROWTH: INVESTING IN THE NORTH

INTRODUCTION

From coast to coast to coast, Canadian communities struggle with a significant infrastructure deficit, the extent of which has been estimated at anywhere from \$50 billion to \$570 billion.¹ This infrastructure deficit is most severe in northern, remote and Indigenous communities.² Not only does it create significant challenges to socio-economic development, it also contributes to “a cycle of underdevelopment in the north” by being “itself a barrier to building new infrastructure.”³

Aware of this situation, the House of Commons Standing Committee on Indigenous and Northern Affairs (the Committee) decided on 24 September 2018 to undertake a study of critical infrastructure projects and regional strategies in the northern regions of Canada.⁴ The Committee is particularly interested in roads, rail, bridges, airports, ports, energy infrastructure, housing, telecommunications and other components of broader regional infrastructure strategies. “Northern regions” was understood to include those covered by the Government of Canada’s upcoming Arctic Policy Framework: Yukon, Northwest Territories, Nunavut, Inuit Nunangat,⁵ Nunatsiavut, Nunavik and Northern Manitoba. In this report, the terms “North” and “Arctic” are used interchangeably to refer to these northern regions.

During its study, the Committee held a total of eight public hearings and heard from 51 witnesses, including representatives from northern communities, Indigenous organizations, public utilities and private corporations operating in the North. The Committee also received six written briefs. The Committee sincerely thanks all the individuals and groups who took part in this study, shared their knowledge and

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- 1 The Canadian Chamber of Commerce, *The Foundations of a Competitive Canada: The Need for Strategic Infrastructure Investment*, December 2013, p. 8.
 - 2 House of Commons, Standing Committee on Indigenous and Northern Affairs (INAN), *Evidence*, 42nd Parliament, 1st Session, 19 November 2018, 1635 (Ms. Annette Bergeron, President, Engineers Canada).
 - 3 INAN, *Evidence*, 42nd Parliament, 1st Session, 31 October 2018, 1540 (Mr. Matt Belliveau, Executive Director, Northwest Territories and Nunavut Construction Association).
 - 4 INAN, *Minutes of Proceedings*, 42nd Parliament, 1st Session, 24 September 2018.
 - 5 “Inuit Nunangat” refers to the land, water and ice of the Inuit homeland in what is now called Canada. Inuit Nunangat spans across Nunatsiavut, Nunavik, Nunavut and the Inuvialuit Settlement Region.



proposed concrete solutions to the challenges facing infrastructure development and maintenance in the North.

It should be noted, however, that this short study could not provide a comprehensive picture of such a complex issue. The Committee recognizes that this report only touches the tip of the iceberg; a lot of work remains to be done.

BACKGROUND

Unique Characteristics of the Arctic

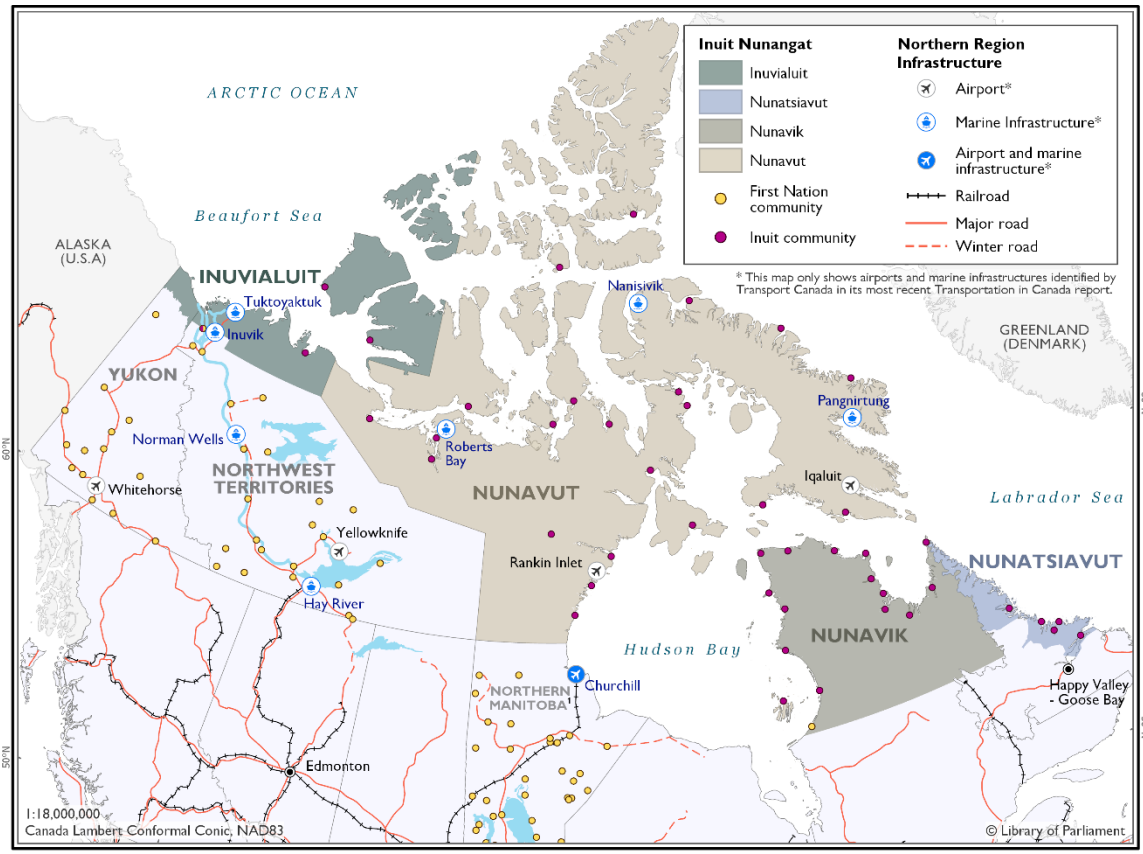
The Arctic is unique and so are the challenges and opportunities faced by the regions and its residents. Environmental factors such as harsh climate conditions and difficult terrain result in a short building and shipping season, and contribute to the challenges in developing and maintaining infrastructure in the North. Specifically, permafrost, snow and ice significantly influence the design of northern infrastructure.

Furthermore, Arctic communities are relatively remote and isolated, both from the South and from each other. Government officials noted that “[t]here are about 200,000 residents across what we call the Arctic.”⁶ Thus, despite covering almost half of Canada’s total landmass, the Arctic represents less than 1% of the country’s total population.⁷ Figure 1 below illustrates where Arctic communities are located. It also shows the location of major all-season and winter roads, railroads, marine infrastructure and selected airports.

6 INAN, *Evidence*, 42nd Parliament, 1st Session, 15 October 2018, 1615 (Mr. Wayne Walsh, Director General, Northern Strategic Policy Branch, Department of Indian Affairs and Northern Development).

7 Statistics Canada, *Census Profile, 2016 Census*, Catalogue no. 98-316-X2016001, Ottawa, 8 February 2017.

Figure 1—Transportation Infrastructure in the Arctic and Geographical Demarcation of the Arctic Policy Framework



¹Crown-Indigenous Relations and Northern Affairs Canada does not use a standardized definition to determine the boundaries of "Northern Manitoba". As such, on this map, there are no clear boundaries for this region, but the location of First Nations communities was nonetheless included.

Source: Map prepared by Library of Parliament, Ottawa, 2019, using data from Natural Resources Canada (NRCan), *Administrative boundaries in Canada—CanVec Series*, "Administrative features", 1:5M, Ottawa, NRCan, 2018; *Lakes, rivers and glaciers in Canada—CanVec Series*, "Hydrographic features", 1:5M, Ottawa, NRCan, 2018; *Transport networks in Canada—CanVec Series*, "Transport features", 1:15M, Ottawa, NRCan, 2018; Indigenous and Northern Affairs Canada (INAC), *Inuit Regions (Inuit Nunangat)*, Gatineau, 2017; INAC, *Inuit Communities Location*, Gatineau, 2016; INAC, *First Nations Location*, Gatineau, 2016; and Natural Earth, *Physical Vectors*, Physical Labels, "Marine Areas", 1:50m, version 4.1.0. The following software was used: Esri, ArcGIS Pro, version 2.1.1. Contains information licensed under [Open Government Licence—Canada](#).

Note 1: Most communities have their own airport or airstrip. This map only shows the airports identified by Transport Canada in its most recent [Transportation in Canada](#) report (see Map 4 in Annex A).

The remoteness and size of northern communities, as well as the effect of climate change on built infrastructure and the environment, also act as barriers to infrastructure



development and maintenance in the North.⁸ Since Arctic communities tend to be small and widely dispersed, they are less easily accessible, further increasing shipping and construction costs. In turn, these factors contribute to the high cost of doing business in the North and constitute a logistical challenge.

As such, the lack of infrastructure is itself “a bottleneck to development”⁹ that stifles the North’s potential. It should be noted that the issue is not simply about the cost to businesses. This situation also leads to a higher cost of living. In particular, the lack of transportation infrastructure can hinder service delivery in northern communities. Elder George Kemp of the Berens River First Nation noted that:

Every time we've seen development of all-weather roads and so forth, it's always about extracting the resources. What about us as people? We're there. Look at us. There are 20,000 people in one concentrated area [in northern Manitoba] who are suffering.¹⁰

Another unique characteristic of the Arctic is that a large proportion of its population identifies as First Nation, Inuit or Métis. This is most notable in Nunavut, Nunavik and Nunatsiavut, where 85%, 89% and 90% of the population identify as Inuit. This population is younger and growing at a faster rate than the rest of the country, putting an increasing burden on existing infrastructure. It also emphasizes the need for community infrastructure as well as for infrastructure allowing the delivery of health care, education and other social services.

Attracting and retaining a skilled workforce in the Arctic is another challenge to building and maintaining infrastructure. Training opportunities are not always readily available in the region. Additionally, the Committee heard that infrastructure projects are often not long enough for people to complete apprenticeships, making it even harder to build up a skilled

“Every time we've seen development of all-weather roads and so forth, it's always about extracting the resources. What about us as people? We're there. Look at us.”

8 National Aboriginal Economic Development Board (NAEDB), *Recommendations on Northern Infrastructure to Support Economic Development*, January 2016; Conference Board of Canada, Centre for the North, *Study on Addressing the Infrastructure Needs of Northern Aboriginal Communities* (Prepared for the NAEDB), December 2014.

9 INAN, *Evidence*, 42nd Parliament, 1st Session, 17 October 2018, 1555 (Mr. Patrick Duxbury, Advisor, Nunavut Resources Corporation).

10 INAN, *Evidence*, 42nd Parliament, 1st Session, 22 October 2018, 1725 (Elder George Kemp, Berens River First Nation, As an individual).

workforce at the local level.¹¹ Federal officials explained that northerners are trying to find solutions to the “shortage of... expertise to support maintenance on a long-term basis.”¹² In the meantime, workers often have to be brought in from other parts of Canada to complete projects.¹³

Emerging Challenges

Throughout its study, the Committee heard of the importance of addressing the infrastructure deficit in a timely manner. Due to the threat of climate change, there is a sense of urgency to take real action to address this issue. Permafrost, which underlies most of the ground in and around the Arctic, is currently thawing. Similarly, the winter roads on which northerners rely are becoming gradually less reliable: “[c]limate change is definitely reducing the effectiveness and the length of ice roads.”¹⁴ Thus, even though they do not significantly contribute to climate change themselves, northern communities are more vulnerable to its adverse impacts. According to Annette Bergeron, President of Engineers Canada, “northern, remote and indigenous communities are far from prepared to adequately withstand climate-related risks, thus further widening the infrastructure gap in these communities.”¹⁵

The Committee also heard that the mining sector, and its local and Indigenous partners, cannot exploit the region’s full potential due to the lack of transportation, energy and telecommunications infrastructure. Another significant issue that was raised is that of Arctic sovereignty. Developing and maintaining infrastructure in northern areas of Canada is one way of ensuring the country’s claims in the Arctic. The Committee believes that these issues, discussed in greater detail below, make this study particularly timely.

CURRENT STATE OF INFRASTRUCTURE

The Committee looked at various types of infrastructure, from transportation and energy to telecommunications and housing. The following sections summarize what the

11 INAN, *Evidence*, 42nd Parliament, 1st Session, 31 October 2018, 1540 (Mr. Matt Belliveau).

12 INAN, *Evidence*, 42nd Parliament, 1st Session, 15 October 2018, 1530 (Mr. Wayne Walsh).

13 INAN, *Evidence*, 42nd Parliament, 1st Session, 31 October 2018, 1605 (Mr. Matt Belliveau).

14 INAN, *Evidence*, 42nd Parliament, 1st Session, 19 November 2018, 1720 (Mr. David Lapp, Manager, Globalization and Sustainable Development, Engineers Canada).

15 INAN, *Evidence*, 42nd Parliament, 1st Session, 19 November 2018, 1635 (Ms. Annette Bergeron).



Committee heard on the current state of northern infrastructure, as well as testimony related to challenges to its development and maintenance.

Transportation Infrastructure

Safe and sustainable transportation infrastructure is vital to connecting northern communities, supplying food, fuel and other goods, delivering health care services, supporting tourism and travel, and ensuring a rapid response in the event of an emergency. As such, it has been described as “a lifeline for northern communities and an essential enabler for economic development.”¹⁶

However, several factors, such as the Arctic’s harsh environment and climate, as well as the relative remoteness and smaller size of the widely dispersed northern communities, complicates the development and maintenance of this type of infrastructure in the North: “[a]s a result, basic infrastructure is limited in the region, making it difficult, time-consuming and expensive to move passengers and goods in and out of northern communities.”¹⁷

In the Arctic, most communities depend on multiple modes of transportation for goods and people, meaning that ground, marine and air transportation systems must complement one another. Furthermore, according to the National Indigenous Economic Development Board, “[r]esearch indicates that greater benefits accrue to communities that are strategically positioned with respect to multimode transport systems that integrate” these three modes of transportation.¹⁸ Yet, the committee heard that northern trade and transportation infrastructure “suffer from dis-integrated plans,”¹⁹ possibly resulting in lost efficiencies.

In response, the Yukon Chamber of Commerce recommended developing and implementing “a pan-territorial transportation strategy with a territorial corridors coordinating agency.”²⁰ On this point, the Committee heard that the Department of Transport is currently developing a “multimodal Arctic transportation policy

16 INAN, *Evidence*, 42nd Parliament, 1st Session, 15 October 2018, 1630 (Mr. Craig Hutton, Director General, Strategic Policy, Department of Transport).

17 Ibid.

18 National Aboriginal Economic Development Board, *Study on Addressing the Infrastructure Needs of Northern Aboriginal Communities*, December 2014, p. 22.

19 INAN, *Evidence*, 42nd Parliament, 1st Session, 19 November 2018, 1655 (Mr. Kells Boland, Vice-Chair, Transportation and Infrastructure Committee Chair, Yukon Chamber of Commerce).

20 INAN, *Evidence*, 42nd Parliament, 1st Session, 19 November 2018, 1645 (Mr. Kells Boland).

framework”²¹ and hopes that this initiative will help address some of the issues raised by the witnesses.

Marine Transportation

Seaways serve as regional highways in the Arctic.²² Because of the lack of ground transportation infrastructure, many communities depend on sealifts to supply essential goods and construction materials. Marine transport is also one of the most effective modes of transportation for Arctic coastal communities.

Yet, the Arctic has less marine infrastructure than other parts of Canada and northerners “continue to have a substandard marine service.”²³ The Committee heard that developing new and enhancing existing marine infrastructure is required. As the shipping season extends due to climate change, more ship traffic is expected. According to the Honourable Johannes Lampe, President of the Nunatsiavut Government,

The number of ships sailing along the north Labrador coast is on the rise and will continue to increase as northern shipping routes are developed and expanded. That is why it is extremely important that we promote the development and enhancement of marine infrastructure in our communities. At the same time, we have to ensure that proper mechanisms, rules and technologies are put in place to reduce the chances of marine disasters. A disaster at sea along the Nunatsiavut coast would be devastating.²⁴

Consequently, there is also an increased demand for the Canadian Coast Guard’s presence in the Arctic, something the agency recognized.²⁵ Among other things, the Coast Guard works to ensure safe navigation in Canadian waters, notably through icebreaking and ice-management activities.²⁶ On the Arctic’s marine highways, the Coast Guard’s icebreakers act as “the snowplows of the North.”²⁷ Although sea ice coverage is

21 INAN, *Evidence*, 42nd Parliament, 1st Session, 15 October 2018, 1635 (Mr. Craig Hutton).

22 Crown-Indigenous Relations and Northern Affairs Canada, *Arctic Policy Framework regional roundtable session: Happy Valley-Goose Bay*, 12 October 2017.

23 INAN, *Evidence*, 42nd Parliament, 1st Session, 5 November 2018, 1655 (Hon. Johannes Lampe, President, Nunatsiavut Government).

24 Ibid.

25 INAN, *Evidence*, 42nd Parliament, 1st Session, 15 October 2018, 1640 (Mr. Gregory Lick, Director General, Canadian Coast Guard, Department of Fisheries and Oceans).

26 The *mandate* of the Canadian Coast Guard also includes other responsibilities, such as providing marine communications and conducting search and rescue operations.

27 INAN, *Evidence*, 42nd Parliament, 1st Session, 15 October 2018, 1640 (Mr. Gregory Lick).



reducing because of climate change, some risks remain (and others arise) as “harder, more dangerous multi-year ice [now] travels down into the southern Arctic waters.”²⁸

This changing marine environment makes proper port facilities a necessity for communities. Currently, the only deep-sea port in the Canadian Arctic is in Churchill. Murad Al-Katib, representing the Arctic Gateway Group, a consortium which recently acquired the Hudson Bay Railway in Northern Manitoba, stated that Churchill and its port, being connected to the railway system, have the potential of becoming a true gateway to the Arctic.²⁹ He also noted that climate change, melting sea ice, “makes icebreaker-assisted year-round shipping commercially feasible.”³⁰

“A functioning deep-water port is a key to supporting a variety of industries including natural resources and tourism.”

While another deep-sea port is currently being built in Iqaluit, it will not be in operation all-season and, according to Madeleine Redfern, Mayor of Iqaluit, it will be too small to fully capitalize on future opportunities.³¹ There are currently no deep-water ports in the Western Canadian Arctic. Yet, the Committee heard that “[a] functioning deep-water port is a key to supporting a variety of industries including natural resources and tourism.”³² Witnesses suggested Grays Bay (Nunavut), Tuktoyaktuk (Northwest Territories) and King Point (Yukon) as potential locations for a future deep-sea port in the Western Arctic.³³ The Honourable Jackie Jacobson, Councillor in Tuktoyaktuk, stated that the local government is currently looking to secure foreign and private support to make its port a deep-water facility.³⁴

28 INAN, [Evidence](#), 42nd Parliament, 1st Session, 15 October 2018, 1645 (Mr. Gregory Lick).

29 INAN, [Evidence](#), 42nd Parliament, 1st Session, 31 October 2018, 1535 (Mr. Murad Al-Katib, President and Chief Executive Officer, AGT Food and Ingredients Inc.).

30 INAN, [Evidence](#), 42nd Parliament, 1st Session, 31 October 2018, 1540 (Mr. Murad Al-Katib).

31 INAN, [Evidence](#), 42nd Parliament, 1st Session, 22 October 2018, 1705 (Ms. Madeleine Redfern, Mayor, City of Iqaluit).

32 [Brief](#) submitted by the Inuvialuit Regional Corporation on 2 November 2018, p. 3.

33 INAN, [Evidence](#), 42nd Parliament, 1st Session, 22 October 2018, 1545 (Hon. Jackie Jacobson, Councillor, Hamlet of Tuktoyaktuk); INAN, [Evidence](#), 42nd Parliament, 1st Session, 19 November 2018, 1650 (Mr. Kells Boland); and, [Brief](#) submitted by the Inuvialuit Regional Corporation on 2 November 2018, p. 3.

34 INAN, [Evidence](#), 42nd Parliament, 1st Session, 22 October 2018, 1545 (Hon. Jackie Jacobson).

Ground Transportation

Unlike in Southern Canada, roads are not as developed or frequented in the Arctic. They are nonetheless important for remote and isolated communities. For instance, Elder George Kemp explained the significant positive impact of the new road that was built in Northern Manitoba, connecting the Berens River First Nation to the highway system. He stated that the road reduced isolation and improved the community's access to the resources needed to upgrade, rebuild and build infrastructure.³⁵ Nonetheless, the number of all-season roads in the North remains limited. As such, northerners rely heavily on winter roads in terms of ground transportation.

Similarly, Mr. Al-Katib stressed the importance of stable rail infrastructure for economic development.³⁶ With the exception of the rail lines that travel to Hay River (Northwest Territories) and to Churchill (Manitoba), there is currently very little railway infrastructure in the Arctic.

The Committee heard from other witnesses that the lack of ground transportation infrastructure affects sectors including natural resources and telecommunications by significantly increasing their operating expenditures. For instance, one witness explained that “[t]he lack of roads leaves mineral resources, like cobalt, gold, lithium, bismuth and rare earth elements necessary to fuel the global green economy, mostly inaccessible.”³⁷

Moreover, the Committee heard how the new all-season road in the MacKenzie Valley opened up Tuktoyaktuk to new opportunities. The federal government alone invested \$199 million in this project, a high cost that reflects the realities of the Arctic. According to Merven Gruben, Mayor of Tuktoyaktuk, Merven Gruben, this new “Highway to Tuk” contributed to increasing the number of tourists in the Hamlet more than two-fold.³⁸ The Hon. Jackie Jacobson, however, noted that “[t]here's no funding for a restaurant to buy coffee and no hotels in Tuk.” Despite the possibilities in tourism that a new road affords, the Hamlet still lacks the infrastructure to accommodate tourists.³⁹

35 INAN, [Evidence](#), 42nd Parliament, 1st Session, 22 October 2018, 1725 (Elder George Kemp).

36 INAN, [Evidence](#), 42nd Parliament, 1st Session, 31 October 2018, 1555 (Mr. Murad Al-Katib).

37 INAN, [Evidence](#), 42nd Parliament, 1st Session, 29 October 2018, 1650 (Ms. Jay Grewal, President and Chief Executive Officer, Northwest Territories Power Corporation).

38 INAN, [Evidence](#), 42nd Parliament, 1st Session, 22 October 2018, 1540 (Mr. Merven Gruben, Mayor, Hamlet of Tuktoyaktuk).

39 INAN, [Evidence](#), 42nd Parliament, 1st Session, 22 October 2018, 1600 (Hon. Jackie Jacobson).



Mayor Gruben also explained that, with the support of other levels of government, Tuktoyaktuk could further develop its harbour and storage facilities: “you can truck anything from the south to Tuk all winter, stockpile all the material you need there... [I]f we haul in the stuff all winter on the roads, then we can ship out a lot earlier to the communities.”⁴⁰ Taking advantage of the new all-season road, the Hamlet could effectively become an important hub in the region. This testimony is similar to what Michael Spence, Mayor of Churchill, also told the Committee. According to Mayor Spence, Churchill and its “infrastructure can continue to serve a regional purpose and contribute to a more prosperous Arctic.”⁴¹ Strategically located infrastructure could help remediate the lack of roads and rails in the Arctic.

Conversely, the Yukon Conservation Society noted the potentially adverse impact of the built environment, specifically ground transportation infrastructure, on wildlife and biodiversity: “each land use that interrupts the usual free roaming of species, and access by community members for food and medicines, destabilizes relationships that have been interdependent forever.”⁴² For this reason, the Yukon Conservation Society recommended treating biodiversity loss and infrastructure development as one issue.

Air Transportation

Given the lack of ground transportation infrastructure, most Arctic communities are only accessible by air. As such, air transportation is still “the principal means to bring in supplies and people”⁴³ and often the only year-round mode of transportation. However, the availability and state of northern runways is a significant challenge for air transportation and “[n]orthern operators must find solutions to operational problems that simply do not exist in southern Canada.”⁴⁴ The Committee learned that these challenges include runway and navigational limitations.⁴⁵ For example, many airstrips in the Arctic are too short to accommodate some aircraft, and extreme weather and

40 Ibid.

41 INAN, [Evidence](#), 42nd Parliament, 1st Session, 22 October 2018, 1530 (Mr. Michael Spence, Mayor, Town of Churchill).

42 [Brief](#) submitted by the Yukon Conservation Society on 27 November 2018, p. 4.

43 INAN, [Evidence](#), 42nd Parliament, 1st Session, 15 October 2018, 1650 (Ms. Dilhari Fernando, Director General, Policy, Planning and Partnerships Directorate, Meteorological Service of Canada, Department of the Environment).

44 INAN, [Evidence](#), 42nd Parliament, 1st Session, 5 November 2018, 1550 (Mr. Glenn Priestley, Executive Director, Northern Air Transport Association).

45 [Brief](#) submitted by the Northern Air Transport Association on 2 November 2018, p. 3-4.

extended periods of darkness increase challenges and risks.⁴⁶ Another issue is the fact that, of the 117 airports located north of the 60th parallel, “[o]nly 10 are paved, and out of those 10, only five are well paved. The other five need to be repaved.”⁴⁷

With so many remote and isolated communities only accessible by air, or with limited ground and marine access, developing and maintaining safe and efficient civil aviation infrastructure is essential. Given the importance of civil aviation infrastructure, the Committee agrees that additional efforts are required to improve aviation weather information, airport infrastructure and runway approach aids.

“[N]orthern operators must find solutions to operational problems that simply do not exist in southern Canada.”

Energy Infrastructure

The infrastructure deficit in the North also affects the energy sector. The Committee heard of a situation of ongoing “energy inequality” in the Arctic, “where the cost of electricity in many communities is estimated to be over ten times higher than the Canadian average.”⁴⁸ Gaps in energy infrastructure have significant impacts on the lives of northerners.

A particular challenge is that many communities rely almost exclusively on high-cost diesel fuel to generate power. According to officials of the Department of Natural Resources, “there are about 200 communities in Canada that are not connected to the North American electricity grid and are entirely dependent on diesel fuel for electricity.”⁴⁹ These officials noted that the federal government is currently supporting northern communities in reducing their reliance on diesel fuel, for instance through a new program of the Department of Natural Resources, the Clean Energy for Rural and Remote Communities Program. However, with its \$220-million envelope over six years, this program is already oversubscribed.⁵⁰

46 Ibid.

47 INAN, *Evidence*, 42nd Parliament, 1st Session, 5 November 2018, 1610 (Mr. Glenn Priestley).

48 [Brief](#) submitted by the Canadian Electricity Association on 14 November 2018, p. 1.

49 INAN, *Evidence*, 42nd Parliament, 1st Session, 15 October 2018, 1540 (Mr. Marco Presutti, Director General, Electricity Resources Branch, Department of Natural Resources).

50 Ibid.



Reducing the dependency on diesel fuel is more than a financial challenge: it is also a technical one. According to Bruno Pereira, President and CEO of the Qulliq Energy Corporation in Nunavut, alternatives such as solar and wind provide only intermittent power, meaning that communities will continue to require diesel as a backup.⁵¹ The Yukon Conservation Society similarly noted the limitations of wind and solar energy: “they are intermittent and thus energy storage in some form is required for these resources to be comparable to hydro and fully replace fossil fuels.”⁵²

“[W]e are at the point where, for some of our customers, they have to choose between buying groceries to feed their family or paying their utility bill to ensure they continue to have power.”

As mentioned above, electricity rates are significantly higher in the North than elsewhere in the country: “the reality is that [northern communities] have among the highest power rates in the country.”⁵³ According to Jay Grewal, President and CEO of the Northwest Territories Power Corporation, “[w]e are at the point where, for some of our customers, they have to choose between buying groceries to feed their family or paying their utility bill to ensure they continue to have power.”⁵⁴

The Committee heard that, in the Northwest Territories, the territorial government is prioritizing the Taltson Hydroelectricity Expansion Project⁵⁵ as a way of providing cleaner, more reliable and cheaper energy to communities and industries.⁵⁶ The Honourable Wally Schuman, Minister of Infrastructure for the territory, explained that “[t]he Taltson River currently has 18 megawatts of installed hydro power, but has 200 megawatts of potential that could be harnessed under the phased-in approach. All phases will rely on run-of-the-river technology without the need for new flooding.”⁵⁷

51 INAN, *Evidence*, 42nd Parliament, 1st Session, 29 October 2018, 1720 (Mr. Bruno Pereira, President and Chief Executive Officer, Qulliq Energy Corporation).

52 *Brief* submitted by the Yukon Conservation Society on 27 November 2018, p. 10.

53 INAN, *Evidence*, 42nd Parliament, 1st Session, 29 October 2018, 1650 (Ms. Jay Grewal).

54 *Ibid.*

55 This project would expand the existing generating station and provide energy to residents and businesses in the Slave Geological Province.

56 INAN, *Evidence*, 42nd Parliament, 1st Session, 17 October 2018, 1535 (Hon. Wally Schumann, Minister, Department of Industry, Tourism and Investment, Department of Infrastructure).

57 *Ibid.*

Similarly, Ms. Grewal said of the project that it “can and must proceed,” noting that “it will also lay the foundation for greening current and future mining developments.”⁵⁸

Telecommunications Infrastructure

In 2016, the Canadian Radio-television and Telecommunications Commission (CRTC) declared that internet access should be viewed as a basic service across the country. The CRTC anticipates that, by 2021, 90% of all Canadians will have access to fixed broadband services—with speeds of 50 Mbps and 10 Mbps for download and upload respectively.⁵⁹ Yet, the Committee heard that, “for the most part, very important parts of this country are underconnected, underserved, and in some case unserved.”⁶⁰ The situation varies greatly between communities and “improving connectivity in Canada’s remote north will require collaborative solutions that encompass the complexity of the region.”⁶¹

The Committee heard that progress is being made and that innovative solutions are being implemented by the private sector, with the support of the federal and territorial governments. For instance, since 2018, SSi Micro Ltd. has been delivering mobile voice and data services to all communities in Nunavut, a first for many of them.⁶² Similarly, Northwestel Inc. expects to be able to deliver 15 Mbps broadband and smartphone capabilities to Nunavummiut by the end of 2019.⁶³ Another positive example of private-public collaboration is Northern Lights’ Mackenzie Valley Fibre Link Project, a 1,200-km fibre link between McGill Lake to the south and Inuvik to the north. Recently completed, it “brought higher speed Internet at lower prices

“We need to harness ideas, technology and local capacity to do things better. This will lead to a digital emancipation.”

58 INAN, [Evidence](#), 42nd Parliament, 1st Session, 29 October 2018, 1655 (Ms. Jay Grewal).

59 Canadian Radio-television and Telecommunications Commission, [Closing the Broadband Gap](#).

60 INAN, [Evidence](#), 42nd Parliament, 1st Session, 7 November 2018, 1705 (Mr. Dean Proctor, Chief Development Officer, SSi Micro Ltd.).

61 [Brief](#) submitted by Northwestel Inc. on 5 November 2018, p. 5.

62 INAN, [Evidence](#), 42nd Parliament, 1st Session, 7 November 2018, 1645 (Mr. Dean Proctor).

63 [Brief](#) submitted by Northwestel Inc. on 5 November 2018, p. 3.



to the Valley, and facilitates improved government programs, services and economic development opportunities.”⁶⁴

These examples are promising. Nevertheless, significant barriers remain. According to Dean Proctor, Chief Development Officer at SSI Micro Ltd.,

The challenge is not technology, logistics or money. What is needed is a holistic approach to a problem that is multi-faceted. We need to harness ideas, technology and local capacity to do things better. This will lead to a digital emancipation, where all Canadians in all regions of the country can fully participate in our digital democracy.⁶⁵

Witnesses stressed the importance of reliable telecommunications infrastructure in the North. The internet is vital in connecting Arctic communities to the rest of the world and in opening the region to opportunities that are otherwise unavailable in remote and isolated communities. For instance, witnesses mentioned that proper telecommunications infrastructure makes distance education and telehealth tools more easily accessible.⁶⁶ The Committee agrees that “Northerners deserve fast, reliable, cost-comparative telecommunications.”⁶⁷

Housing and Community Infrastructure

Housing and community infrastructure is another core infrastructure need. Witnesses who spoke about housing in northern communities described it as a crisis: there are insufficient housing units in the North and existing houses are unaffordable, unsafe and overcrowded.⁶⁸ As of 2016, in Inuit Nunangat, 31.5% of Inuit lived in dwellings in need of major repairs and 51.7% living in crowded conditions.⁶⁹ This situation is a severe impediment to socio-economic development in the North because “long-term economic growth also relies on community infrastructure that supports a diversified economy and

64 [Brief](#) submitted by Northwestel Inc. on 5 November 2018, p. 3.

65 INAN, [Evidence](#), 42nd Parliament, 1st Session, 7 November 2018, 1645 (Mr. Dean Proctor).

66 INAN, [Evidence](#), 42nd Parliament, 1st Session, 17 October 2018, 1620 (Ms. Hilda Broomfield Letemplier, Board Member, National Indigenous Economic Development Board); 1710 (Mr. David Ningeongan, President, Kivalliq Inuit Association).

67 [Brief](#) submitted by Northwestel Inc. on 5 November 2018, p. 2.

68 INAN, [Evidence](#), 42nd Parliament, 1st Session, 17 October 2018, 1715 (Mr. David Ningeongan); INAN, [Evidence](#), 42nd Parliament, 1st Session, 22 October 2018, 1610 (Mr. Mervyn Gruben); INAN, [Evidence](#), 42nd Parliament, 1st Session, 5 November 2018, 1615 (Mr. Dominique Girard, Vice-President, Corporate Branch, Nunavut, Agnico Eagle Mines Limited); 1720 (Ms. Kate Mitchell, First Minister, Nunatsiavut Government); INAN, [Evidence](#), 42nd Parliament, 1st Session, 7 November 2018, 1715 (Mr. Dean Proctor).

69 Thomas Anderson, “[The housing conditions of Aboriginal people in Canada](#),” *Census in Brief*, Statistics Canada, Ottawa, 25 October 2017.

good quality of life for community members.”⁷⁰ The physical environment, including housing conditions, is also an important determinant of health.⁷¹ As such, inadequate and overcrowded housing can contribute to the spread of diseases, and have an overall negative effect on health and well-being.

The Inuvialuit Regional Corporation described recent investments⁷² in affordable housing in the Arctic as “groundbreaking.”⁷³ However, they stated that “the pace of funding decisions and the nature of the funding vehicle” could still be improved, from year-to-year to multi-year grants.⁷⁴ Concerning the situation in Labrador, First Minister Kate Mitchell stated that the Nunatsiavut Government has been “moving along” and it has “start[ed] to make a significant difference in [its] communities” in terms of housing.⁷⁵ The Committee, recognizing the urgent need to address the housing crisis in the Arctic, encourages the government to build on these initiatives.

“[L]ong-term economic growth also relies on community infrastructure that supports a diversified economy and good quality of life for community members.”

70 INAN, *Evidence*, 42nd Parliament, 1st Session, 17 October 2018, 1545 (Ms. Hilda Broomfield Letemplier).

71 Government of Canada, *Social determinants of health and health inequalities*.

72 [Budget 2016](#) committed \$739 million over two years for affordable housing in First Nations, Inuit and northern communities. [Budget 2017](#) committed an additional \$300 million over 11 years to provide support for northern housing. [Budget 2018](#) committed an additional \$400 million over 10 years to provide support for housing in the Inuit regions of Nunavik, Nunatsiavut and Inuvialuit.

73 [Brief](#) submitted by the Inuvialuit Regional Corporation on 2 November 2018, p. 5.

74 Ibid.

75 INAN, *Evidence*, 42nd Parliament, 1st Session, 5 November 2018, 1720 (Ms. Kate Mitchell).



EMERGING ISSUES RELATED TO NORTHERN INFRASTRUCTURE

During its study, the Committee heard about emerging or evolving issues related to northern infrastructure. The following sections summarize what the Committee heard regarding natural resources development, climate change and Arctic sovereignty.

Climate Change in the Arctic

A recurring theme throughout the study was the impact of climate change on northern infrastructure. As temperatures rise, the permafrost that underlies most of the ground in and around the Arctic⁷⁶ is thawing, “directly impacting the integrity of building foundations, roads, runways, pipelines and coastal infrastructure.”⁷⁷ According to witnesses, climate change is affecting marine infrastructure and navigation,⁷⁸ as well as air transportation.⁷⁹ The impacts will indeed be widespread due to the fact that:

[T]he integrity of many northern ecosystems and built infrastructure is dependent on the stability of the permafrost; permafrost is undergoing rapid change, which could threaten the structural stability and functional capability of existing infrastructure; changing coastlines and the loss of sea ice further increase the risk of flooding from rising sea levels and storm surges in some areas.⁸⁰

As noted by officials of the Department of the Environment, “the process driving the enhanced warming that we're seeing in the Arctic is not because of activities that are occurring in the Arctic.”⁸¹ Yet, the region will “experience warming two to three times higher than the global average.”⁸² Given its disproportionate effects in the Arctic, there is a pressing need to take concrete action to address climate change. This includes, but is not limited to, building climate resilient and sustainable infrastructure.

76 A detailed map of the distribution, characteristics and boundaries of permafrost and ground ice in Canada can be found in the [National Atlas of Canada](#).

77 INAN, [Evidence](#), 42nd Parliament, 1st Session, 15 October 2018, 1530 (Mr. Wayne Walsh); see also: INAN, [Evidence](#), 42nd Parliament, 1st Session, 15 October 2018, 1650 (Ms. Dilhari Fernando); INAN, [Evidence](#), 42nd Parliament, 1st Session, 22 October 2018, 1550 (Mr. Mervyn Gruben); 1715 (Elder George Kemp).

78 INAN, [Evidence](#), 42nd Parliament, 1st Session, 15 October 2018, 1710 (Mr. Gregory Lick).

79 INAN, [Evidence](#), 42nd Parliament, 1st Session, 5 November 2018, 1610 (Mr. Glenn Priestley).

80 INAN, [Evidence](#), 42nd Parliament, 1st Session, 15 October 2018, 1650 (Ms. Dilhari Fernando).

81 INAN, [Evidence](#), 42nd Parliament, 1st Session, 15 October 2018, 1700 (Mr. Chris Derksen, Research Scientist, Climate Processes Section, Climate Research Division, Department of the Environment).

82 INAN, [Evidence](#), 42nd Parliament, 1st Session, 15 October 2018, 1650 (Ms. Dilhari Fernando).

Northern communities are disproportionately and uniquely affected by climate change. This is why implementing climate change mitigation and adaptation measures should not disregard the unique characteristics of the Arctic. Northern communities are also vulnerable to the potential impacts from nation-wide efforts to reduce our carbon footprint. Mr. Al-Katib noted that a price on pollution “may be another layer of costs” in what is “an already relatively difficult environment and cost base in the North.”⁸³ Considering the unique challenges the North faces, the Mining Association of Canada “has called for northern recognition with respect to carbon pricing.”⁸⁴

Addressing these realities will require action on the part of all Canadians – fighting climate change is not a burden for northerners alone. Furthermore, the implementation of climate change mitigation and adaptation measures should not disregard the unique characteristics of the different regions of Canada.

Natural Resources Development in the North

In the Arctic, the mining sector is the largest employer.⁸⁵ According to the Honourable Wally Schumann, the resource industry constitutes “the backbone of our economy.”⁸⁶ While mining exploration and development companies invest billions of dollars into projects, they still require investments in infrastructure to access natural resources and create jobs. The North has a lot of potential, but without proper roads, rail, ports, airports, energy transmission, and telecommunications, its natural resources will remain stranded. According to Lisa McDonald of the Prospectors and Developers Association of Canada, “[s]trategic infrastructure is needed to sustain exploration and unlock this potential.”⁸⁷ For the time being, the infrastructure deficit acts as a “physical bottleneck.”⁸⁸

83 INAN, *Evidence*, 42nd Parliament, 1st Session, 31 October 2018, 1620 (Mr. Murad Al-Katib).

84 INAN, *Evidence*, 42nd Parliament, 1st Session, 5 November 2018, 1615 (Mr. Brendan Marshall, Vice-President, Economic and Northern Affairs, Mining Association of Canada).

85 INAN, *Evidence*, 42nd Parliament, 1st Session, 5 November 2018, 1540 (Mr. Brendan Marshall); INAN, *Evidence*, 42nd Parliament, 1st Session, 7 November 2018, 1635 (Ms. Lisa McDonald, Interim Executive Director, Prospectors and Developers Association of Canada).

86 INAN, *Evidence*, 42nd Parliament, 1st Session, 17 October 2018, 1530 (Hon. Wally Schumann).

87 INAN, *Evidence*, 42nd Parliament, 1st Session, 7 November 2018, 1640 (Ms. Lisa McDonald).

88 INAN, *Evidence*, 42nd Parliament, 1st Session, 17 October 2018, 1620 (Mr. Patrick Duxbury).



Capital and operating costs associated with building mines in the North can be up to 2.5 times higher than elsewhere in Canada.⁸⁹ Brendan Marshall of the Mining Association of Canada explained that “[i]nfrastructure is really the key to bringing down the upfront capital costs of mining in the north.”⁹⁰ Some companies like Agnico Eagle Mines Ltd. built their own roads without any support from the government (at a cost of \$1 million per kilometre).⁹¹ However, smaller players might not have the capacity to do the same.

Sovereignty in the Canadian Arctic

Although not at the centre of the Committee’s study, Arctic sovereignty was nevertheless raised as an issue by some witnesses. For instance, witnesses explained that marine infrastructure, in the form of ports and icebreakers, could help to cement Canada’s sovereignty in the Arctic and the Northwest Passage.⁹² According to the Inuvialuit Regional Corporation, “[c]ountries that have a development plan and strong “anchor infrastructure” for their frontier areas are less exposed to international interests.”⁹³ In other words, “[i]nfrastructure and active presence are vital factors in determining whether other states plan to knock on the front door or run right through it.”⁹⁴ In any discussion surrounding northern infrastructure, Arctic sovereignty ought to be at the forefront.

RESPONDING TO URGENT AND EMERGING NEEDS

Importance of Local Priorities

To address the Arctic’s unique demographic and geographic challenges, all levels of government should be included in decision-making surrounding infrastructure development and maintenance. While all regions of the Arctic suffer from significant infrastructure deficits, the needs vary from one region to the other. As such, the Committee believes that local and Indigenous partners ought to be engaged

89 INAN, *Evidence*, 42nd Parliament, 1st Session, 5 November 2018, 1625 (Mr. Dominique Girard); INAN, *Evidence*, 42nd Parliament, 1st Session, 7 November 2018, 1640 (Ms. Lisa McDonald).

90 INAN, *Evidence*, 42nd Parliament, 1st Session, 5 November 2018, 1615 (Mr. Brendan Marshall).

91 INAN, *Evidence*, 42nd Parliament, 1st Session, 5 November 2018, 1610 (Mr. Dominique Girard).

92 INAN, *Evidence*, 42nd Parliament, 1st Session, 17 October 2018, 1610 (Hon. Wally Schumann); INAN, *Evidence*, 42nd Parliament, 1st Session, 31 October 2018, 1540 (Mr. Murad Al-Katib).

93 *Brief* submitted by the Inuvialuit Regional Corporation on 2 November 2018, p. 2.

94 *Ibid.*

meaningfully by the federal government in finding appropriate solutions to the challenges they face.

Witnesses explained that Canada needs a consistent policy framework for northern infrastructure.⁹⁵ The Committee learned that currently “[t]here is no northern energy strategy and no northern telecommunications strategy.”⁹⁶ Similarly, the Committee was told that “[n]orthern infrastructure investment is unfolding somewhat haphazardly; projects are often multi-jurisdictional, but lack a coordinating entity.”⁹⁷ The Committee believes that this situation is not conducive to socio-economic development.

As explained by Mayor Redfern, “we need to move away from doing things poorly, with poor consultations, not including all the stakeholders, not listening to what people have to say, underinvesting and not looking forward to the future.”⁹⁸ Darrell Beaulieu, President and CEO of Denendeh Investments Incorporated, emphasized the need to “promote real government-to-government relations”⁹⁹ with the Indigenous peoples who have been occupying the Arctic since time immemorial. Canada cannot expect to find solutions to northern challenges without engaging with Indigenous rights holders and local governments. For these reasons, the Committee recommends:

Recommendation 1

That the Government of Canada include in its forthcoming Arctic Policy Framework a co-developed process to ensure local and Indigenous perspectives are taken into account in the development and maintenance of northern infrastructure.

Federal Infrastructure Funding

The Committee heard that many federal infrastructure programs set aside funding specifically for northern and Indigenous communities. It also heard, unfortunately, that these programs do not always meet the unique infrastructure needs of the North, such

95 INAN, *Evidence*, 42nd Parliament, 1st Session, 17 October 2018, 1625 (Hon. Wally Schumann); 1635 (Mr. Tom Zubko, President, New North Networks Ltd.); and, INAN, *Evidence*, 42nd Parliament, 1st Session, 22 October 2018, 1700 (Ms. Madeleine Redfern).

96 INAN, *Evidence*, 42nd Parliament, 1st Session, 22 October 2018, 1635 (Ms. Madeleine Redfern).

97 INAN, *Evidence*, 42nd Parliament, 1st Session, 19 November 2018, 1655 (Mr. Kells Boland).

98 INAN, *Evidence*, 42nd Parliament, 1st Session, 22 October 2018, 1705 (Ms. Madeleine Redfern).

99 INAN, *Evidence*, 42nd Parliament, 1st Session, 29 October 2018, 1630 (Mr. Darrell Beaulieu, President and Chief Executive Officer, Denendeh Investments Incorporated).



as higher construction and shipping costs, and the smaller size and remoteness of communities.

At the federal level, several departments and agencies fund programs supporting infrastructure development and maintenance. For instance, there are at least 14 departments and agencies (including Crown-Indigenous Relations and Northern Affairs Canada and Indigenous Services Canada) providing funding as part of *Investing in Canada*, the Government of Canada's \$186-billion infrastructure plan. The Committee learned that \$2 billion of this funding was specifically dedicated to infrastructure projects in rural and northern communities.¹⁰⁰ In addition, federal officials mentioned the new \$400-million Arctic Energy Fund, which will support renewable energy projects in the territories,¹⁰¹ as well as the \$400-million northern allocation of the Trade and Transportation Corridors Initiative, as examples of federal infrastructure funding set aside for northern communities.¹⁰²

Despite these sources of funding, Hilda Broomfield Letemplier, member of the National Indigenous Economic Development Board, noted that “[m]ost funding mechanisms available in the North are overwhelmed by the magnitude of [the region’s] infrastructure deficits, leaving little room for consideration of strategic infrastructure investments.”¹⁰³ Some programs, such as the northern allocation of the Trade and Transportation Corridors Initiative, are severely oversubscribed, with more applicants than funding available.¹⁰⁴ Other programs, relying on per-capita funding formulas, put the North at a disadvantage due to its relatively small population.¹⁰⁵

Existing funding streams are also “simply not large enough to accommodate... nation-building and tax-revenue-generating projects” such as the \$550 million Grays Bay Road and Port Project in Nunavut.¹⁰⁶ According to the proponent, the Grays Bay Road and Port Project would, if constructed, “profoundly improve the economic and social prospects of the Kitikmeot region's residents” while simultaneously “yield[ing] significant benefits for

100 INAN, *Evidence*, 42nd Parliament, 1st Session, 15 October 2018, 1535 (Ms. Nathalie Lechasseur, Director General, Program Integrations, Infrastructure Canada).

101 INAN, *Evidence*, 42nd Parliament, 1st Session, 15 October 2018, 1535 (Ms. Nathalie Lechasseur); INAN, *Evidence*, 42nd Parliament, 1st Session, 19 November 2018, 1535 (Mr. Glenn Campbell, Assistant Deputy Minister, Investment, Partnerships and Innovation, Office of Infrastructure Canada).

102 INAN, *Evidence*, 42nd Parliament, 1st Session, 15 October 2018, 1635 (Mr. Craig Hutton).

103 INAN, *Evidence*, 42nd Parliament, 1st Session, 17 October 2018, 1550 (Ms. Hilda Broomfield Letemplier).

104 INAN, *Evidence*, 42nd Parliament, 1st Session, 5 November 2018, 1545 (Mr. Brendan Marshall).

105 INAN, *Evidence*, 42nd Parliament, 1st Session, 17 October 2018, 1615 (Ms. Hilda Broomfield Letemplier).

106 INAN, *Evidence*, 42nd Parliament, 1st Session, 17 October 2018, 1555 (Mr. Patrick Duxbury).

Canada while assisting in reconciliation efforts with the Inuit of western Nunavut.”¹⁰⁷ Projects like this are the type of nation-building initiatives that could help harness the region’s full potential.

The Committee believes that Canada is on the right track by dedicating funding specifically for northern communities. However, federal programs require improvements to address the issues raised by witnesses. Federal infrastructure funding programs ought to better reflect the North’s needs and realities. For this reason, the Committee recommends:

Recommendation 2

That the Government of Canada consider distinct and northern-specific infrastructure funding; that funding criteria and disbursement mechanisms reflect the realities of the Arctic, such as higher construction and shipping costs, the smaller size and remoteness of communities, and the need to improve the pace of funding decisions; and that this funding and its parameters support the goals of local, territorial and Indigenous governments.

Diversifying Power Generation in the Arctic

The lack of affordable and efficient power in the Arctic is at the core of many other challenges facing the region’s residents: “[it] has limited economic potential, and stifles the region’s economic development and prosperity.”¹⁰⁸ Northerners continue to rely on expensive fuel to generate their power. Disconnected from the North American power grid, northern communities depend on their own power plants, which are aging and in need of repair or replacement.¹⁰⁹ More than ever, northern communities “need affordable, stable energy.”¹¹⁰

Witnesses agreed on the need to diversify energy generation in the Arctic. However, they did not agree on the best means of doing so. Regardless, the Canadian Electricity Association emphasized that “sustained support from the federal government is critical to making transformational clean energy investments possible in Canada’s North” and

107 Ibid.

108 INAN, *Evidence*, 42nd Parliament, 1st Session, 29 October 2018, 1700 (Hon. Sergio Marchi, President and Chief Executive Officer, Canadian Electricity Association).

109 INAN, *Evidence*, 42nd Parliament, 1st Session, 17 October 2018, 1715 (Mr. David Ningeongan).

110 INAN, *Evidence*, 42nd Parliament, 1st Session, 22 October 2018, 1720 (Ms. Madeleine Redfern).



stated that the region’s uniqueness “requires a dedicated, custom-made solution.”¹¹¹ Similarly, the Inuvialuit Regional Corporation stated that,

Given our common objectives of mitigating the immediate impacts of climate change and releasing families from the crippling cost of imported energy, Canada needs to come to the table with us to plan a way out of this cycle of pollution and poverty. This cannot be achieved through small disconnected pots of funding. It needs to be done through partnership.¹¹²

The Committee heard that generating power using imported diesel fuel is neither economically nor environmentally sustainable. Although it remains unclear what alternatives should be pursued, the Committee believes that transitioning away from diesel fuel is a goal. At the moment, public utilities such as Nunavut’s Qulliq Energy Corporation are “largely dependent on federal funding” to expand their “use of renewable and alternative energy resources.”¹¹³ As such, the Committee recommends:

Recommendation 3

That the Government of Canada implement, in partnership with northern communities, programs to ensure energy security and to transition away from the use of diesel fuel for power generation; and that during the transition towards cleaner sources of energy, the Government of Canada work to improve the reliability and efficiency of power plants awaiting to be replaced.

Moving away from the use of diesel fuel will not only provide communities with more reliable and efficient energy; transitioning towards cleaner sources of energy will also contribute to reducing their emissions of greenhouse gases. Thus, implementing this recommendation would not only contribute to diversifying power generation in the North; it would also help address the real threats posed by climate change.

Taking Action on Climate Change

As previously mentioned, it is imperative for Canada to transition towards a low-carbon economy. In the meantime, northern communities will need to adapt to climate change, a phenomenon to which the Arctic is particularly vulnerable. According to Ms. Bergeron, “[r]esilient infrastructure is the driving force behind productive societies, stable

111 [Brief](#) submitted by the Canadian Electricity Association on 14 November 2018, p. 5.

112 [Brief](#) submitted by the Inuvialuit Regional Corporation on 2 November 2018, p. 5.

113 INAN, [Evidence](#), 42nd Parliament, 1st Session, 29 October 2018, 1640 (Mr. Bruno Pereira).

industries and increased public confidence.”¹¹⁴ As such, the Committee believes that any northern infrastructure strategy ought to take the reality of climate change into account. Northern communities might not be responsible for climate change, but they would nonetheless benefit from the development of climate resilient and sustainable infrastructure. For this reason, the Committee recommends:

Recommendation 4

That the Government of Canada, in partnership with its local, territorial and Indigenous partners, ensure the sustainability and climate resiliency of northern infrastructure by requiring that climate vulnerability assessments be carried out on northern infrastructure projects; and that the results of these assessments serve to inform adaptation actions that address potential risks associated with a changing climate.

Northerners are particularly vulnerable to the impacts of climate change. As such, they recognize the pressing need to take real action to combat this phenomenon and reduce carbon emissions. Nevertheless, witnesses noted the challenges that a price on pollution could pose in the Arctic. As such, the Committee is encouraged by the “Made-in-the-North” approach of the Government of the Northwest Territories which will, among other things, exclude aviation fuel from carbon pricing and provide rebates for heating fuel.¹¹⁵

The Committee believes that this approach is a good example of providing flexibility for northerners without compromising climate change mitigation and adaptation measures. The implementation of a price on pollution in the Arctic should take into account the unique characteristics of the region. For this reason, the Committee recommends:

Recommendation 5

That the Government of Canada recognize the pressing need to take real action to combat climate change and ensure that the implementation of carbon pricing in the Arctic is flexible enough to meet the needs of households, businesses and local governments; further, that it ensure that carbon pricing, or any other climate change adaptation measures, does not place an excessive financial burden on northerners.

114 INAN, *Evidence*, 42nd Parliament, 1st Session, 19 November 2018, 1635 (Ms. Annette Bergeron).

115 Government of the Northwest Territories, *Implementing Carbon Pricing in the NWT*.



Accessibility

Although the issue of accessibility was not raised by witnesses, the Committee wishes to highlight the need to remove barriers to the full participation of persons living with disabilities as an essential aspect of infrastructure renewal. The Committee believes that barriers to equal opportunities need to be removed in several areas, including the built environment and transportation. Furthermore, the Government of Canada ought to prevent new barriers from emerging. For this reason, the Committee recommends:

Recommendation 6

That the Government of Canada, recognizing that building accessible infrastructure is essential to providing equal opportunities for all northerners, ensure that accessibility assessments are carried out on northern infrastructure projects.

CONCLUSION

Building and maintaining infrastructure in the North is about more than economic development, access to natural resources or Arctic sovereignty. First and foremost, it is about people and ensuring that every Canadian benefits from the same opportunities in life wherever they live. Finding and implementing solutions to the North's infrastructure deficit will require a long-term, partnership-based approach. The government ought to engage with northerners, including Indigenous peoples, to determine what northern infrastructure strategies should entail and what projects should be prioritized in their regions.

With the Arctic becoming more and more accessible, Canada is at a turning point and cannot afford to wait. Removing barriers to northern infrastructure development and maintenance will require innovative solutions. The Committee hopes that its report will contribute to finding such solutions.

APPENDIX A LIST OF WITNESSES

The following table lists the witnesses who appeared before the Committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the Committee’s [webpage for this study](#).

Organizations and Individuals	Date	Meeting
Department of Fisheries and Oceans Gregory Lick, Director General Canadian Coast Guard	2018/10/15	121
Department of Indian Affairs and Northern Development Kate Ledgerwood, Director Reconciliation Secretariat Wayne Walsh, Director General Northern Strategic Policy Branch	2018/10/15	121
Department of Natural Resources Daniel Lebel, Director General Geological Survey of Canada Marco Presutti, Director General Electricity Resources Branch	2018/10/15	121
Department of the Environment Chris Derksen, Research Scientist Climate Processes Section, Climate Research Division Dilhari Fernando, Director General Policy, Planning and Partnerships Directorate, Meteorological Service of Canada	2018/10/15	121
Department of Transport Craig Hutton, Director General Strategic Policy Marie-Claude Petit, Director General Transportation Infrastructure Programs	2018/10/15	121

Organizations and Individuals	Date	Meeting
Infrastructure Canada Sean Keenan, Director General Economic Analysis and Results Nathalie Lechasseur, Director General Program Integrations	2018/10/15	121
Government of the Northwest Territories Hon. Wally Schumann, Minister Department of Industry, Tourism and Investment, Department of Infrastructure	2018/10/17	122
Kivalliq Inuit Association David Chadwick, Representative Senior Advisor, Chadwick Consulting Tom Garrett, Representative David Ningeongan, President	2018/10/17	122
National Indigenous Economic Development Board Hilda Broomfield Letemplier, Board Member	2018/10/17	122
New North Networks Ltd. Tom Zubko, President	2018/10/17	122
Nunavut Resources Corporation Patrick Duxbury, Advisor	2018/10/17	122
As an individual George Kemp, Elder Berens River First Nation	2018/10/22	123
City of Iqaluit Madeleine Redfern, Mayor	2018/10/22	123
Hamlet of Tuktoyaktuk Merven Gruben, Mayor Hon. Jackie Jacobson, Councillor	2018/10/22	123
Town of Churchill Michael Spence, Mayor	2018/10/22	

Organizations and Individuals	Date	Meeting
Canadian Electricity Association Hon. Sergio Marchi, President and Chief Executive Officer Doug Tenney, Representative Vice-President, Northern Development, ATCO Group	2018/10/29	125
Denendeh Investments Incorporated Darrell Beaulieu, President and Chief Executive Officer	2018/10/29	125
Northwest Territories Power Corporation Jay Grewal, President and Chief Executive Officer Paul Guy, Chair Board of Directors	2018/10/29	125
Qulliq Energy Corporation Bruno Pereira, President and Chief Executive Officer	2018/10/29	125
AGT Food and Ingredients Inc. Murad Al-Katib, President and Chief Executive Officer	2018/10/31	126
As an individual Barry Prentice, Professor Supply Chain Management, University of Manitoba	2018/10/31	126
Det'on Cho Corporation Paul Betsina, Business Development Manager Paul Gruner, President and Chief Executive Officer	2018/10/31	126
Northwest Territories and Nunavut Construction Association Matt Belliveau, Executive Director	2018/10/31	126
Agnico Eagle Mines Limited Mélissa Desrochers, Director Government Relations, Corporate Branch Dominique Girard, Vice-President Corporate Branch, Nunavut	2018/11/05	127
Mining Association of Canada Brendan Marshall, Vice-President Economic and Northern Affairs	2018/11/05	127
Northern Air Transport Association Glenn Priestley, Executive Director	2018/11/05	127

Organizations and Individuals	Date	Meeting
Northwestel Inc. Curtis Shaw, President	2018/11/05	127
Nunatsiavut Government Johannes Lampe, President Kate Mitchell, First Minister	2018/11/05	127
Prospectors and Developers Association of Canada Lisa McDonald, Interim Executive Director Lesley Williams, Director Policy and Programs	2018/11/07	128
SSi Micro Ltd. Dean Proctor, Chief Development Officer	2018/11/07	128
Canada Infrastructure Bank Pierre Lavallée, President and Chief Executive Officer	2018/11/19	129
Engineers Canada Annette Bergeron, President David Lapp, Manager Globalization and Sustainable Development	2018/11/19	129
Office of Infrastructure of Canada Glenn R. Campbell, Assistant Deputy Minister Investment, Partnerships and Innovation Lisa Mitchell, Senior Director Investment, Partnerships and Innovation	2018/11/19	129
Yukon Chamber of Commerce Kells Boland, Vice-Chair Transportation and Infrastructure Committee Chair PeterM. Turner, President	2018/11/19	129

APPENDIX B LIST OF BRIEFS

The following is an alphabetical list of organizations and individuals who submitted briefs to the Committee related to this report. For more information, please consult the Committee's [webpage for this study](#).

Agnico Eagle Mines Limited

Canadian Electricity Association

Inuvialuit Regional Corporation

Northern Air Transport Association

Northwestel Inc.

Yukon Conservation Society

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this Report.

A copy of the relevant *Minutes of Proceedings* (Meetings Nos. 121, 122, 123, 125 to 129, 133, 135 and 138) is tabled.

Respectfully submitted,

Hon. MaryAnn Mihychuk , P.C., M.P.
Chair

A Path to Growth: Investing in the North - New Democratic Party Dissenting Report

Although the NDP does not disagree with what was included in the report, what was not included is the greater issue. First, the study was not long enough to be considered *comprehensive*. Second, the need for housing was included, but not stressed enough as being a core need. Lastly, to build infrastructure people need to be trained, yet very little attention was given to this important fact.

Length of the Study

The original motion concerning the study read:

That, pursuant to Standing Order 108(2), the Committee undertake a comprehensive study of critical northern infrastructure projects and regional strategic infrastructure strategies in the context of possible federal support.

The motion states that the study be comprehensive, yet the study lasted from Oct 15 to Nov 19 of 2018, just slightly over a month. Within that month the committee only met 8 times to hear witness testimony, clearly not enough for a report to be considered comprehensive.

As Craig Hutton stated to the committee on October 15, 2018:

“The north is unique, compared to the rest of Canada. However, we must also recognize that each territory is significantly different from the others.”

With the incredibly diverse people, climates, ecosystems, and needs of Canada’s North, a study of this length does not even scratch the surface of what those communities’ infrastructure needs really are. With this limited view, the recommendations are not of substance and will not have a significant impact for people living in the North.

Housing

None of the challenges northerners are facing that have been included in the report can be addressed without first addressing the need for sufficient, safe, affordable and durable housing. While there is some work being done to address the issue in a few communities and regions, these tend to be the exception, not the norm.

Any considerations for additional infrastructure need to first address housing. To build infrastructure requires human resources, and those same people first require an appropriate place to live for them to then tackle the work that needs doing.

Training

People in northern communities are keen to be a part of infrastructure projects. The report does address that projects are not long enough for potential tradespeople to finish apprenticeships and that workers are often brought in from other areas. This circles back to the issue of insufficient housing; these imported workers have nowhere to live, and local people are not getting the necessary training to build housing or infrastructure because of it.

Hilda Broomfield Letemplier said as much to the committee on October 17, 2018:

“Businesses across the north struggle to attract and retain employees when there is a shortage of suitable housing.”

Addressing this cyclical issue was not part of the recommendations in the report.

Conclusion

The report, while not being substantially incorrect, is woefully inadequate. Without addressing the core needs of northern communities, infrastructure cannot be addressed; and without a truly comprehensive study, the recommendations included herein cannot support new legislation of real value to people living in the North.

The Conservative Party of Canada's Dissenting Report for the Study of Northern Infrastructure Projects and Strategies

"We're not used to selling trinkets and T-shirts and that kind of stuff."

Merven Gruben, Mayor of Tuktoyaktuk

Cathy McLeod, Member of Parliament for Kamloops–Thompson–Cariboo
Kevin Waugh, Member of Parliament for Saskatoon–Grasswood
Arnold Viersen, Member of Parliament for Peace River–Westlock

Introductory Comments

As Conservatives, we believe the Northwest Territories, Nunavut and the Yukon play crucial roles in Canada's economy, and have the potential to play even greater roles in the decades to come. However, one of the biggest issues delaying economic prosperity north of the sixtieth parallel is a crippling infrastructure deficit, including the lack of transportation, marine, housing and digital infrastructure.

That is why, as the Conservative members of the House of Commons' Standing Committee on Indigenous and Northern Affairs, we supported the following motion on September 24, 2018:

That, pursuant to Standing Order 108(2), the Committee undertake a comprehensive study of critical northern infrastructure projects and regional strategic infrastructure strategies in the context of possible federal support. For the purpose of this study:

- a) "infrastructure" includes roads, rail, bridges, airports, ports, energy infrastructure, housing, telecoms and any components of broader regional infrastructure strategies; and
- b) "northern" regions included in the Arctic Policy Framework.

Since the Liberal Party of Canada formed government in November 2015, they have displayed a dismissive and paternalistic attitude toward Canadian northerners. We saw this again from the Committee's Liberal majority during the study of Northern Infrastructure Projects and Strategies that took place in October and November 2018.

The Committee's final report was absent of practical recommendations. Further, there are three issues we must raise that received scant attention in that report, yet were pivotal in testimony heard by Members.

Review of Infrastructure Proposals

Prior to offering our criticism, we will say that over the course of the study, the Committee heard various proposals for important infrastructure projects. These include, but are not limited to, the Grays Bay Road and Port project; a deep-water port in Tuktoyaktuk; the Kivalliq Hydrofibre Link; significant upgrades to northern airports (such lengthening runways, adding high quality runway lighting, and setting up the Global Positioning System); increased electricity supply; and high-speed broadband connectivity.

Many witnesses were passionate proponents of projects that appeared both well-conceived and evidence-based. It will be the job of the federal government to determine how best to proceed with considering these visions and ideas for Canada's north, and presenting a clear Arctic policy.

Thus, we recommend:

That the Government of Canada launch a comprehensive review of all existing and proposed infrastructure projects, with long-term economic benefit analysis, to assist in prioritizing decision-making on capital projects.

Carbon Tax

We note the reference to the implementation of the carbon tax in the final report's fifth recommendation, that the government of Canada "ensure that carbon pricing, or any other climate change adaptation measures, does not place an excessive financial burden on northerners."

This does not go far enough. It is clear that climate change affects Canada's north in profoundly disproportionate ways, but northerners know this is not a problem they have created. In fact, Chris Derksen, a Research Scientist in the Climate Research Division of the Department of Environment Canada, testified as such on October 15, 2018:

It's not the diesel that's burning in the north that's driving climate change in the north. It's diesel and other carbon-emitting processes that are occurring globally.

Yet, the federal Liberals are imposing a carbon tax on northerners without their input. With reliance on diesel for everything – transportation of food and other vital supplies, home heating, power-generation – a price on carbon will lead to a massive increase in the cost of living.

On October 31, the President of AGT Food and Ingredients Inc., Murad Al-Katib, told the Committee, "We certainly see a little angst around the carbon tax. We see a lot of concern in an already relatively difficult environment and cost base in the north that this may be another layer of costs."

Further, on November 5, Curtis Shaw, President of Northwestel Inc. – whose operations serve 121,000 people across 96 remote northern communities – told of three significant repercussions of the federally-imposed carbon tax, the first two related to the cost of generating power for his business, and the third to his employees' increased living costs. He stated:

The carbon tax impacts two facets of our business. One is obviously the cost to generate power at our prime power sites where we're consuming diesel, and obviously commercial power that we purchase.

The third thing in the north would be really the cost to our employees, the cost of living. Our average northern employees have to heat a home. In some of our jurisdictions it's below freezing for eight or nine months of the year. It's something that we're monitoring right now, looking at how we deal with the cost of living increases that our employees are faced with.

What is clear is that northern communities can least afford a higher cost of living; they will be the most impacted by the imposed-carbon tax.

When then-Nunavut Premier Peter Taptuna signed, along with his fellow territorial premiers, the Pan-Canadian Climate Framework in December 2016, he was promised that the “unique circumstances” of the territories would be taken into account. He was told that relief would be provided, and that the federal government would launch a study on the potential impacts of a carbon tax on the territories.

As of testimony to the Committee by federal officials on October 15, no such study has been launched, nor accommodations provided to northerners. Thus, we recommend:

That the Government of Canada immediately remove its threat of imposing a price on carbon on northern territories, due to the detrimental impact it will have on the economy and cost of living.

Moratorium in the Beaufort Sea

The second area that is nearly absent in the Committee's final report is the effect of the federal government's moratorium on offshore oil and gas exploration and development in the Beaufort Sea. Just before Christmas 2016, Prime Minister Justin Trudeau travelled to Washington D.C. to make the announcement with then-United States President Barack Obama. There had been no consultation with northerners; despite consistent rhetoric about consulting with Canada's Indigenous peoples prior to decision-making, this resolution was made unilaterally from the Prime Minister's office.

Elected leaders in Canada's north were made aware of the announcement less than an hour before it was made. The Hon. Wally Schumann, Minister of Industry, Tourism and Investment, and Minister of Infrastructure, for the Northwest Territories, said as much in his testimony on October 17:

I guess we can be very frank because we're in front of the committee. When it first came out, we never got very much notice on the whole issue of the moratorium and the potential that was in the Beaufort Sea. There were millions and millions, if not billions, of dollars in bid deposits and land leases up there. That took away any hope we had of developing the Beaufort Sea.

Further, Merven Gruben, Mayor of Tuktoyaktuk, told the Committee on October 22:

I agree the Liberals should be helping us. They shut down our offshore gasification and put a moratorium right across the whole freaking Arctic without even consulting us. They never said a word to us.

The imposed-moratorium prompted then-Nunavut Premier Taptuna to issue a "red alert" regarding the territory's economic development. He told the CBC:

We do want to be getting to a state where we can make our own determination of our priorities, and the way to do that is gain meaningful revenue from resource development. At the same time, when one potential source of revenue is taken off the table, it puts us back at practically square one where Ottawa will make the decisions for us.

The Committee heard quite clearly: the moratorium must end, yet the final report contains no reference to this in its recommendations to the Government of Canada. No one said it better than the Mayor of Tuktoyaktuk, when he told the Committee on October 22:

It's so easy to sit down here and make judgments on people and lives that are 3,500 clicks away, and make decisions on our behalf, especially with that moratorium on the Beaufort. That should be taken away, lifted, please and thank you. That is going to open up and give jobs to our people—training and all the stuff we're wishing for.

Tom Zubko, President of the New North Networks, went so far as to testify on October 17 that the moratorium was influenced by foreign-funded "special interest and environmental groups" who are "not acting in the best interests of Canada or Canada's north." He went on:

Such government-funded or -supported activities perpetuate and accelerate the view that studying and consulting is superior to taking a chance on development.

Given this backdrop, it was deeply disturbing when the Prime Minister placed a moratorium on drilling in the Beaufort Sea with absolutely no consultation.

The Liberal Governments' imposed-moratorium has devastating impacts on the economy of remote northern communities. The former Conservative government provided funding for a key all-season road, the Inuvik Tuktoyaktuk Highway, yet the community of Tuktoyaktuk will not realize the full possibilities of that infrastructure without resource extraction from the Beaufort Sea. "We're a proud people who like to work for a living," the Mayor said to Committee members on October 22. He spoke of the increasing reliance on social assistance, and the "small change" provided by tourists compared to the promise of oil and gas development. "We're not used to selling trinkets and T-shirts and that kind of stuff," he said.

Therefore, with the powerful testimony of northerners in mind, we recommend:

That the Government of Canada immediately lift the moratorium on oil and gas exploration in the Beaufort Sea, and consult elected territorial governments on best paths forward for the environmentally- and economically-sustainable development of the region.

Canadian Sovereignty

The third and final important area we will touch upon, though not the only ones that received scant mention in the Committee's final report, is testimony related to Canadian sovereignty.

Despite the report's assertion that Arctic sovereignty was "not at the centre of the Committee's study", it was a crucial issue raised by five witnesses and in a brief submitted by the Inuvialuit Regional Corporation (IRC). The IRC wrote:

Arctic sovereignty requires more today than lofty statements in international venues and dictates from Ottawa. Our region is decades behind when it comes to certain key pieces of infrastructure, which causes [foreign] states to see this region as one that might be "taken" rather than "negotiated with." Real sovereignty requires, in part, strategically placed infrastructure that invites industry on terms beneficial to Canada and Northerners and which sponsors sustainable growth and lasting security.

On October 31, Dr. Barry Prentice urged the Committee to consider the impact melting ice and increased shipping in the north would have on threats to our sovereignty. Murad Al-Katib testified on same day that, "We as a Canadian nation have a decision to make on whether we are going to control that northern passage or whether we're going to allow China and Russia to control it."

This is a pivotal issue to northerners, not just to southern Canada as many have alleged. The IRC went so far as to speak to the necessity of “a visible military infrastructure that is interwoven with the people that actually occupy the territory...” It is their call for action that we must heed.

With that in mind, we recommend:

That the Government of Canada, including the Department of Indigenous and Northern Affairs and the Department of National Defence, explore specific actions that can be taken to protect the sovereignty of Canadian waters and territories, in consultation with territorial governments and Inuit peoples.

Closing Remarks

Canada’s three northern territories have much potential, if the federal government were to release its paternalistic grip and allow for innovation and exploration in a northern-focused way. This is why the quotes of northerners are so prominent in the paragraphs above. It is their voice that must be heard. Announcements must not be made on their behalf in foreign countries, following influence by foreign-funded organizations.

The Committee’s final report reflects the federal Liberals’ continued desire to ignore the expressed wishes of northerners. This is not how the Government of Canada should operate.