



Western Newsletter

Transport Action Canada

Alberta, British Columbia, Manitoba & Saskatchewan

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Catherine Verrall comments on Regina's new Distribution Centre

(Excerpted with permission from Regina's "Prairie Dog" on-line magazine's Nov. 23, 2010 issue: the article by Gregory Beatty is entitled "Transport Hubbub". Catherine's comments follow the article, below).

"Global Transportation Hub": it has quite the impressive ring to it. Much better than "intermodal cargo facility" which is technically what's being built out west of the Regina International Airport.

And why shouldn't we go with the grander title? Aspire to be that hub for global transportation? We're centrally located in the supply chain of manufactured goods from Asia that get shipped to ports like Prince Rupert and Vancouver, then are off-loaded onto rail to be delivered to major population centres in central and eastern North

America. We have solid road and rail infrastructure that we are investing in heavily to upgrade. And we also have a growing economy with significant export capacity. So maybe the idea of Regina being at the centre of the globalization action isn't as crazy as it first seems.

At present, Canadian Pacific Railway's operation in Regina, our biggest "link" in the aforementioned supply chain, is situated on a 20-acre patch of land downtown between Saskatchewan Drive and Dewdney Avenue. But, when operational, CP's new facility, which is being built on land annexed from the RM of Sherwood in 2008, will be 300 acres.

Already committed to the GTH is Loblaws (i.e. Superstore, Extra Foods) which is establishing a one million sq. ft. distribution centre there. It will service all of Manitoba, Saskatchewan, Alberta and parts of B.C. – fully one-tenth of Loblaws' national distribution capacity.

At an early May forum hosted by Transport Action Prairie, a local group devoted to sustainable transportation, GTH CEO Blair Wagar recounted the history of the hub and what its potential economic benefits could be.

It was the former NDP government that green-lit the project, he said. The CP main line that runs through Regina won't be moved, but the site where the trains arrive, and where containers are off-loaded onto trucks for delivery in Regina's local distribution network,



will shift to the GTH. According to Wagar, CP has outgrown its current facility, but there is no room to expand nearby.

At the GTH it will have 15 times the space. To service Loblaws, CP will need it too. Loblaws has both a fresh-frozen and manufactured goods component to its operation, said Wagar. The former is mostly trucked up from California, while the latter is shipped in from Asia on rail.

When Loblaws' distribution centre is operational, it will employ 1,000-1,200 people. Trucking companies and other ancillary businesses anxious to serve Loblaws will also set up shop here.

Those aren't the only economic benefits the GTH will provide, said Wagar. "It [will also capture] containers for Saskatchewan shippers. There are a lot of manufacturers here, but there's not a lot of containers that come to Saskatchewan to get unloaded versus the amount of goods that we have to ship out."

"The GTH offers us the opportunity to gather our manufactured goods, get them onto the global supply chain, and move stuff out to other global markets," said Wagar.

"At the end of the day, that's why the province is mostly interested in this."

To make the GTH happen, the municipal, provincial and federal governments have all committed money. During his talk, Wagar emphasized that the public funding was limited to infrastructure like roads, water and sewer. Actual facilities like warehouses and rail lines are being paid for by the companies themselves.

The public infrastructure commitment isn't limited to the GTH site. At peak capacity, an estimated 1,400 heavy trucks a week will deliver goods to and from the GTH. To avoid congestion, a new bypass is being built at the

junction of Hwy #1 and Lewvan Drive in southwest Regina. Upgrades to Pinkie Road are also underway to improve the connection between Hwys #1 and 11, and a new bypass will also be needed in southeast Regina to route traffic around the city on Hwy #1. As well, improvements are needed to the North Portal highway to facilitate north-south traffic, with Estevan possibly getting its own bypass".

So yes, the GTH is definitely ambitious. But is it sustainable? That's a concern that Transport Action Prairie president **Catherine Verrall** had after Wagar's presentation.

"I wouldn't say our organization is totally against this," she added. "But we do have concerns. There's a book out by Jeff Rubin called Your World is About to Get a Whole Lot Smaller. I really wonder how long our dependence on goods transported over great distances can support the hub idea."

In his book Rubin argues that, until now, the shift that's occurred over the last 40 years to global manufacturing and distribution networks has been fueled by a steady supply of cheap oil ruthlessly extracted without regard for the environmental consequences.

As supply dwindles, the price will inevitably climb, and transportation costs will start to become prohibitive.

"It's going to be that China won't be able to send its goods all over the world," said Verrall. "The same thing will happen here. We're going to have to grow our own vegetables and make do with what we can get closer at hand or do without."

"I don't think people are taking seriously the fact that these changes are coming, and that they're coming a lot faster than we expect," she concluded.



Large Manitoba projects: pros and cons

There are a number of important projects under way in Manitoba these days. Looking at them dispassionately, it's both impressive and depressing to see the wealth of innovative, practical ideas there are on the one hand, and the paltry results on the other, due to lack of vision and initiative (or, to be charitable, to the best efforts of the politicians involved to select the least unpopular option!)

To its credit, the Manitoba government has bought into a few of the good ideas. The siting of the new Bipole III power transmission line on the west side of Lake Winnipeg is one; the continuing support of Churchill as a northern port is another.

In recent days, Premier Selinger of Manitoba has been meeting with stakeholders and interested parties, including international interests, on the subject of making more use of Churchill as the northernmost entry/exit point for traffic bound through Centreport, the air/rail/road hub being developed in Winnipeg.

I've opined before that the idea of Winnipeg being a continent-wide despatching point is pretty well a non-starter: there is no way air freight will stop at Winnipeg (except for fuel) to be sent on to other centres (or vice-versa); the load limit on even the largest air freighter makes rail/air interchange unfeasible; the only practical part of the idea is container interchange between trucks and the railways.

This, along with the associated business park which will develop is really what Centreport is all about; but unless someone ponies up a great deal of money, neither CP or CN is likely to move their container yards across the city.

That being said, there is merit in continuing to support Churchill as a viable port: especially if the amount of import traffic can be increased. (In

view of this, it's interesting that the province is still involved in the road-to-Nunavut project; as this will start at Gillam - presently the roadhead - and go first to Churchill, it will seriously cut into the amount of non-grain traffic that the railway carries to Churchill).

The Premier is trying to get on board with the prospect of vast amounts of new traffic moving through the Arctic due to global warming. However, sadly, such traffic may be a chimera as far as Churchill is concerned.

Traffic coming from the east already happens and will increase with global warming. But traffic from the west seems much more questionable. A glance at the map shows that there are two routes.

The first is McClure Strait / Viscount Melville Sound / Lancaster Sound and so north of Baffin Island to Hudson Strait. However, this comes out so far east that (on the map at least) there doesn't seem to be much difference between the run to Churchill or to the maritime provinces (or possibly to Quebec city): the ultimate destination of the loads will probably be the deciding factor.

The other route, to Lancaster Sound but turning south around Somerset Island, would be much shorter (to get to Churchill) but would have to go through Fury & Hecla Strait, which is very narrow and subject to ferocious tides and ice conditions.

(The southernmost route, hugging the coast, is too complicated and runs through far too many treacherous areas for any but local traffic). It is debatable at this point as to which is the better route from shipping's point of view.

And if that weren't enough, there's a competing proposal, although as presently described it doesn't include a railway. That's the Bathurst Inlet deep-sea port and all-weather road, commissioned by the Kitikmeot Corporation. The port will be able to handle 50,000-ton



freighters and will be reasonably close to high-seas navigation, although the last hundred miles or so will mean careful navigation through the island-studded Coronation Gulf. The connecting land route would eventually go through Yellowknife. The proposal is still under study but it's a definite possibility.

But Premier Selinger is to be commended for his efforts.

The Bipole III project - a second major power transmission line from Gillam to Winnipeg - could go either east of Lake Winnipeg or west of it, in this case paralleling, at some distance, the present line.

The government has decided to use the western route although this will cost substantially more. This is to preserve the status of the east side of Lake Winnipeg as a world heritage area; a worthy concept but opposes the idea of the native groups there gaining any economic advantage, as well as keeping them isolated (as: no transmission line - no road to service it - no access, in or out, for the natives).

At this stage the whole argument is somewhat up in the air: if there should be a change of government in the next election, due next year, it's possible that the east-side route will be used after all.

But here a most intriguing alternative best-of-both-worlds proposal seems to have been allowed to die quietly. Dr. John Ryan, a retired University of Winnipeg geography professor, did the research and development for the idea of running the cable under Lake Winnipeg - from Warren Landing to Traverse Bay, a distance of 350 kilometres, almost the entire length of Lake Manitoba.

Traverse Bay is across the lake (on the east side) from Gimli, which is where the railway ends and the actual cable-laying would start from: ships

equipped to haul and lay the cable would pull it from a train of flatcars, with the cable laid end-to-end along the whole train, which would gradually move forward or backwards to make sure the cable always comes off the train at the same spot.

A very clever idea and one that's been undertaken successfully elsewhere in the world! Dr. Ryan presents studies and figures which demonstrate that the project is eminently feasible and could deliver serious cost reductions.

The reports are available at:

http://energymanitoba.org/exp-imp_trans_b3.htm

But, as said, the proposal seems to be languishing.

A pity!

Finally, there's the road to Nunavut. It is unquestionable that easier access to remote northern communities is very greatly needed. Transportation costs - via air or the winter roads - are crippling large. Medical evacuation is difficult and expensive - one doesn't need to go into many details to get the point.

The road to Nunavut has been in prospect for several years now. When first mooted it was expected to cost over \$1.5 billion for construction and \$12 or more million in annual maintenance. Of course, it wouldn't serve every isolated community but could be routed to cut down the distance from the road to each.

The obvious negative aspects of this are three: maintenance will be ongoing and difficult, and due to the fact that much of the roadbed is on muskeg it will get worse; there will have to be emergency service points at frequent intervals, due to the sparsely settled nature of the country; and there will never be much traffic on the road, again due to the low population.



Certainly such an expensive road system would never be built in areas with better geography but such a low population.

Still, something must be done. I do not recall having seen a proposal to extend the railway north of Churchill, which should at least be considered, since the proposed route runs along the coast. Apart from that, there is the possibility of - airships!

The US Department of Defence recently signed a \$157 million contract to build three large airships, initially for use in surveillance in war areas. They will have lift systems which combine static (the helium that floats the ship) and aerodynamic (using wings of some sort) functions.

These will be able to carry truckloads of goods to remote places, and will have sufficient capacity to carry useful loads of mineral concentrates. These could be based at Churchill, with all the obvious advantages.

An important new industry - building and running airships - could make Manitoba famous! (And, the Hindenburg tragedy notwithstanding, the airships are safe: today they use helium instead of hydrogen, which greatly reduces the danger from fire).

Airships would not be able to operate in all weather, but at the beginning of the 20th century they were in use for trans-Atlantic passenger flights, with all the weather conditions that occur there; and a blizzard that would ground an airship would most certainly keep vehicles off the road.

It's obvious that such a flexible, unlimited-operating-range vehicle must be taken seriously. It remains to be seen if it will.

We live in interesting times!

Peter Lacey

Churchill update: The Hudson's Bay Company's latter-day replacement

About 20% of the Port of Churchill's traffic comes from barging shipments of food and other supplies north from Churchill to Rankin Inlet and other Nunavut communities on the western shore of Hudson Bay.

Materials could soon be heading to residents of the Kivalliq region of Nunavut with enhanced speed and reliability, as OmniTRAX Canada Inc., owner of the port, and Braden-Burry Expediting, based in Yellowknife, have begun searching for a marine carrier to provide additional services out of Churchill.

"An all-inclusive freight rate from Winnipeg to the communities on the western shore of Hudson Bay has been extremely popular, but the customers approached a more active role in the management of the marine services in Churchill," said Gary Long, president and CEO of OmniTRAX Canada.

"We look forward to the earlier departures of the re-supply system from Churchill so we may start our construction season much earlier than we've been able to the past few years," said John Hickey, mayor of Rankin Inlet, the most populous community in the Kivalliq region.

"Integrated pricing and the seamless transfer of goods will certainly improve our re-supply needs."

(From the "Nickel Belt News" section of the Thompson, MB, "Citizen", November 26, 2010)



The Transport Action Western Newsletter is in urgent need of news-gatherers and contact persons for both Alberta and British Columbia. Please consider helping out in these roles (or indeed any others).

Season's Greetings to all!

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An update on the circumstances of this newsletter

Members of Transport Action are supposed to receive 4 issues of the newsletter each year. Until a couple of months ago, Matthew Buchanan and I shared to creation of the newsletter: he and I both wrote and collected news, and he did the actual layout. But Matthew began to find that other commitments were taking up more and more of his time, to the point where he just couldn't devote enough attention to the job, or to get it out in a timely fashion. Which is a pity, as he is a good writer and laid out a classy publication.

So I composed this issue; as I don't have the proper software I couldn't do as good a job. So: apologies! And anyone that has good page layout software, please consider doing the layout for us!

Peter Lacey, Editor

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Transport Action is a volunteer group representing the interests of consumers or users of public transport services in Canada and is involved with a variety of transport issues.