

*The Development of a
Sustainable
Transportation Plan for
Labrador*



*Consultation Document
October 2006*

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MESSAGE FROM THE MINISTER

As the Minister of Transportation and Works and the Minister Responsible for Labrador Affairs, I am very pleased to guide the development of a Sustainable Transportation Plan for Labrador and I implore all Labradorians to have their say, as together we chart the future of transportation in The Big Land.

This Government has long championed the cause of developing Labrador to its fullest potential as indicated in our 2003 Blueprint and most recently reaffirmed in the 2006 Budget, with a commitment to address social and economic growth in Labrador.

The purpose of this discussion paper is to provoke thought and encourage feedback as we seek the opinions of all Labradorians in the creation of a Sustainable Transportation Plan for Labrador. The Plan will eventually dictate the future transportation priorities for Labrador as we near completion of the Trans Labrador Highway in 2009 and beyond.

This is an exciting time for Labrador and, as a result, the province as a whole. We encourage stakeholders and the general public to provide their input in the decision-making process as together we shape the future of transportation in Labrador. We look forward to seeing your thoughts through the attached feedback form or through written submissions.



John Hickey, MHA
Lake Melville District
Minister of Transportation and Works

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Route 510 entering Forteau with Point Amour Lighthouse in the background

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THE IMPORTANCE OF TRANSPORTATION INFRASTRUCTURE

Transportation infrastructure enables the movement of people and goods from one place to another. Well-functioning transportation networks are critical prerequisites to successful economies and major influences on the quality of life in a region. Infrastructure facilitates economic development and is essential to investment, productivity and competitiveness. It is also a major contributing factor to quality of life by providing citizens with access to quality goods and services, including health care and social services. People and investment are attracted to areas with well functioning, high quality transportation infrastructure that allows for the efficient and cost-effective movement of goods, people and resources.

According to Statistics Canada, in 2004 commercial transportation (including warehousing) accounted for three



Airstrip and wharf in Nain

percent of Newfoundland and Labrador's Gross Domestic Product (GDP). In 2005, capital investments (public and private) in transportation totaled over 209 million dollars in the province, employing 11,200 people (5.2 percent of total employment). With respect to personal expenditures, 14.5 percent (or \$1.4 billion - \$2,774 per capita) of Newfoundlanders and Labradorians' personal expenditures went toward transportation.

CONTEXT

Concerns about transportation in Labrador are not new. Prior to the Trans Labrador Highway (TLH), road systems in Labrador were limited and the alternatives were more costly than driving. Over the past decade there have been many studies on the opportunities and challenges associated with transportation in Labrador and many ideas on how best to build on

them. In January 2005 Labrador hosted 150 delegates at the combined Atlantic Provinces Transportation Forum and 33rd Annual Socio-Economic Conference of the Combined Councils of Labrador. This provided delegates with an opportunity to hear about some of the latest work in the area. One of the most recent studies in this province was conducted in the Fall of 2004 by the

Harris Centre of Regional Policy and Development at Memorial University of Newfoundland. The Harris Centre convened four regional workshops and a provincial symposium on Growing the Economy in Newfoundland and Labrador. Each workshop was asked to list five priorities for action and participants at the Labrador workshop identified transportation; including marine, air and road; as one of these priorities. Participants indicated that access to markets was key to growing the economy in Labrador and that transportation infrastructure and services were at the foundation of this. Additionally, accessible and affordable transportation is key to facilitating

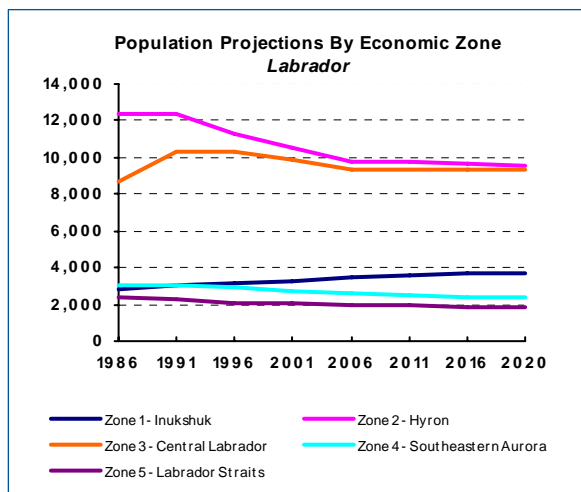
access to health care, post-secondary education, and social development through a variety of often 'taken for granted' things, such as access to social networks, travel and recreation, and goods and services.

In order to take action on this priority, it is necessary for Government to work with key stakeholders to develop a comprehensive sustainable multi-modal transportation plan for Labrador that is reflective of the current and future needs of the business community, as well as the population as a whole. The Plan must also consider the geographic, demographic, and fiscal realities facing Labrador and the province overall.

People and Geography

While the land mass of Labrador is two and a half times as large as that of the island of Newfoundland, it comprises just over five percent of the entire population of the province and has only 32 settlements dispersed throughout this vast geography. Much of Labrador is uninhabited and over 70 percent of its residents live in Labrador City/Wabush, Churchill Falls, or Happy Valley-Goose Bay and surrounding areas. The remaining 30 percent are dispersed throughout small coastal communities. The population of Labrador has decreased from a high of 31,000 in 1991 to its current population of 27,100 but it

is anticipated that the population of Labrador will remain relatively stable throughout the next 15 years. While Labrador's population as a whole has decreased during this time, the northern region of Labrador saw an increase in population over the same time period and it is anticipated that it will continue to increase through 2020. Labrador's vast geography and small disperse population present some unique challenges for transportation throughout the area, between Labrador and the Island, as well as between Labrador and the rest of Canada.



Source: *Economics and Statistics Branch, Dept. of Finance Medium Scenario Projections, April 2006*

In order to fully appreciate the potential demand on the transportation system, one needs to consider what the population will look like in the various areas of Labrador in the future. The province's Economic Zones provide the best basis for this analysis as they break Labrador down into five distinct regions. The Inukshuk, Southeast Aurora and Labrador Straits Zones have very small populations (3,200; 2,600; and 2,000; respectively) and this too is a significant factor when planning for sustainable transportation infrastructure and services. While the population itself is not anticipated to change to any degree over the next 15 years, a more detailed

analysis of the demographics of the zones will be necessary in order to fully comprehend how things such as population aging, etc. may impact on transportation need and usage.

Labrador is rich in aboriginal cultures. With this comes many opportunities and challenges in the areas of language and governance. In addition to municipal, provincial and federal governments, the recently established Nunatsiavut Government has a suite of jurisdictions similar to those of the Provincial Government. This, coupled with the



Aboriginal art on display in the Nunatsiavut Government Boardroom

creation of reserves and Band Councils, and the eventual resolution of negotiations with the Innu, will have implications for how Government plans for development in Labrador.

Business and Industry

Labrador's economy has traditionally been reliant on raw resource extraction and the service industry, with little emphasis placed on value-added or

secondary processing. Transportation networks are key to encouraging this type of industrial evolution and

facilitating diversification and innovative job creation.

The major industries in Labrador are mines and energy (Iron Ore Company of Canada, Wabush Mines, Voisey's Bay Nickel Company, Torngait Ujaganniavingit Corporation and the Upper Churchill Hydroelectric Development), aerospace and defense, fish harvesting and processing, forest resources, and tourism. While the mining sector in Labrador City and Wabush provides its own rail transportation for iron ore export, other industries rely on the air, road and marine transportation systems (with Voisey's Bay using private marine shipping) for supplies, labour and access to markets. Thus, all of these sectors have a major stake in the transportation infrastructure throughout Labrador. Expansion and development of small to medium size business is dependent on cost-effective transportation. Factors like availability and quality of transportation infrastructure all affect these industries.

The economic structure of Labrador varies greatly by region. Labrador City and Wabush were each established in the 1960s following the discovery of iron ore in area. The mining sector is the dominant employer in Labrador West and this has been expanding into other regions in recent years. The mining sector is quickly becoming a major industry in northern Labrador with the development of the Voisey's Bay nickel, copper and cobalt deposits. Churchill Falls was also established in the 1960s,

with the Upper Churchill Hydroelectric Development beginning operation in 1971 after five years of construction. Hydroelectric generation is the main industry in the town and most workers work for Newfoundland and Labrador Hydro. Activity in this sector could expand rapidly if the Lower Churchill development proceeds.

Happy Valley-Goose Bay expanded rapidly during World War II (WWII) due to the establishment of an American military base in the area. This base was used primarily as a refueling stop for American flights on route to Europe. Following WWII, the base was transformed into a flight training base and, over time, Canadian, American, British, German, Dutch, Italian, and other air forces conducted flight training at the base. Today, the town's economy is relatively diversified. In addition to military operations, Happy Valley-Goose Bay serves as the central point for most public and financial services in Labrador; is the main tourism contact point for hunting and fishing lodge operators; functions as the main shopping and consumer goods location for coastal Labrador residents; is home to one of Labrador's three public college campuses (with a second located nearby in North West River); and, is emerging as the local distribution and service point for Voisey's Bay. Recently, the municipality of Happy Valley-Goose Bay has been engaged in a process to identify alternate uses for excess infrastructure at 5 Wing Goose Bay. The purpose of this exercise is to find uses for properties and land no

longer required for military or other government use. One of the ideas being explored is the concept of using the infrastructure, and Happy Valley-Goose Bay's strategic location, as part of a larger transshipment operation to move goods and services to and from Canada's north and the whole circumpolar region.

The economy along coastal Labrador, on the other hand, has historically been heavily reliant on the fishery and the fishery continues to be the largest employer in coastal areas; with major fish plants located in L'Anse au Loup, Mary's Harbour, St. Lewis, Charlottetown, Black Tickle, Cartwright, Pinsent's Arm, Postville, Makkovik and

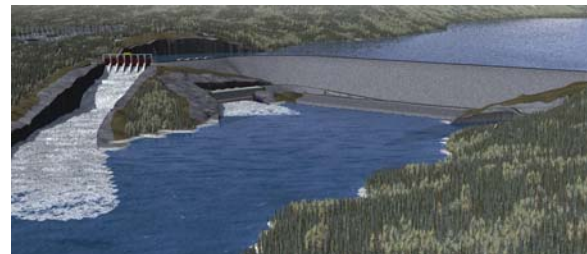


Fish Processing Facility in Makkovik

Nain. Crab, shrimp and turbot are the primary species harvested. More recently, economic activity has increased in the tourism, forest products, and mining sectors (Voisey's Bay and the Dimension Stone Industry near Nain) and opportunities exist to expand each of these industries.

In March 2005 the Department of Innovation, Trade and Rural Development released Government's

Regional Diversification Strategy, including its plans for Labrador. The Department of Labrador and Aboriginal Affairs is also developing a Northern Strategic Plan for Labrador. Thus, the Department of Transportation and Works must work with these other departments/secretariats to ensure that a Sustainable Transportation Plan for Labrador is in keeping with these other strategies and developed to support Government's priorities for economic development in Labrador. Additionally,



Artist rendition of proposed Gull Island Hydro Development

we need to assess private industry's plans for development, expansion or downsizing in Labrador in order to determine how these plans will affect demand in the area. An integral component of the Plan will involve ensuring that we are proactive in being prepared to meet the needs of the future. The development of new transportation infrastructure can not happen overnight, but rather, can take up to 10 or 15 years from the design to completion. Coupled with this is the fact that the development of new transportation infrastructure is a very costly venture and often involves long-term negotiations with the Federal Government in order to secure sufficient funding. Thus, it is important for Government to plan now for the future.

Social Considerations

In addition to economic considerations, a transportation plan will also need to take into account Government's future plans for the K-12 and postsecondary education system, as well as for health services. The construction, expansion or closure of facilities within either the health or education systems could greatly affect the use of the various modes of transportation infrastructure.

The Department of Health and Community Services and its four Regional Integrated Health Authorities are currently in the process of working on sustainable location of services plans



Labrador Health Centre, Happy Valley-Goose Bay

for each of the regions, as well as separate projects to plan for key expansion areas in such things as long-term care. The development of a transportation plan must take all of these things into consideration in conjunction with these key departments.

Labrador Transportation Initiative

The Government of Newfoundland and Labrador and the Government of Canada signed the \$340 million Labrador Transportation Initiative Agreement in March of 1997. This Agreement resulted in the transfer of the Labrador coastal marine service, including two vessels (MV Sir Robert Bond and MV Northern Ranger), to the Province from the Federal Government. In January 1998, the funds were placed in the Labrador Transportation Initiative Fund.

The Fund was established to complete Phases I (upgrade the road from Wabush to Happy Valley-Goose Bay) and II (construction of the road from Red Bay to Cartwright) of the Trans Labrador



MV Northern Ranger

Highway; to assume full provincial responsibility for the Labrador coastal ferry services; and, to finance Labrador transportation initiatives such as improvements to wharf facilities, upgrading community roads and construction of community road links. It

was, however, recognized from the beginning that there would not be sufficient resources in the Fund to complete Phase III (construction of the

road from Happy Valley-Goose Bay to Cartwright) of the Trans Labrador Highway and additional funds would have to be found.

Current Transportation Systems

Air

Three airlines provide regularly scheduled service to Labrador: Air Labrador, Provincial/Innu Mikun Airlines, and Air Canada Jazz. Air Labrador and Provincial/Innu Mikun Airlines provide passenger and cargo service within Labrador and between the Island and Happy Valley-Goose Bay, Wabush, Churchill Falls and the Labrador Straits (through Blanc Sablon, Quebec). Air Canada Jazz provides service between Happy Valley-Goose Bay and Halifax, as well as between Wabush and Montreal. Air Labrador provides service between Happy Valley-Goose Bay and Montreal, Quebec City and Sept-Îles and Provincial Airlines provides service between Wabush and Sept-Îles. Labrador has 17 airports (13 of which are coastal community airstrips), the majority of which are gravel. There are also a number of small air charter companies operating throughout Labrador.

With the completion of Phases I and II of the Trans Labrador Highway, retaining the level of flight service that Labrador had become accustomed to became a

real issue. Airlines expressed the desire to reduce flights to the area due to decreased usage and increasing costs, and this is only anticipated to increase with the completion of Phase III. The high cost of air travel has a substantial impact on the costs of goods transported by air. The Provincial and Federal Governments provide subsidy programs to offset the higher cost of flying perishable goods into Labrador's coastal communities. While the Federal subsidy is available all year round, the Provincial subsidy is provided when marine transport services are suspended due to winter ice conditions.

Labrador has traditionally been a strategic location for flight training, refueling and the testing of aircraft engines. Happy Valley-Goose Bay has had a high reliance on international military flight training as well as trans-Atlantic refueling. Wabush, on the other hand, is one of three sites approved for cold weather testing of aircraft engines. Maintenance of the airports in Happy Valley-Goose Bay and Wabush are key factors for all of these activities.

Marine

Five marine vessels currently serve Labrador, two (MV Sir Robert Bond and MV Northern Ranger) are provincially owned while the others (MV Apollo, MV Challenge One and MV Astron) are privately owned. All vessels are operated by private operators under contract with the Provincial Government. Passenger and freight ferry services are provided through 13 ports in Labrador and one in Blanc Sablon, Quebec serving the Labrador Straits and the Lower North Shore of Quebec.

The MV Northern Ranger provides passenger and limited freight service from Happy Valley-Goose Bay to the communities on the north coast, while the MV Astron provides the majority of the freight service to this area. The MV Challenge One provides passenger and freight service to the communities of Williams Harbour and Normans Bay. The MV Sir Robert Bond provides auto, passenger and freight service between the Island, Cartwright and Happy Valley-Goose Bay. The MV Apollo provides auto, passenger and commercial truck service between the Island and the Labrador Straits through Blanc Sablon in Quebec.

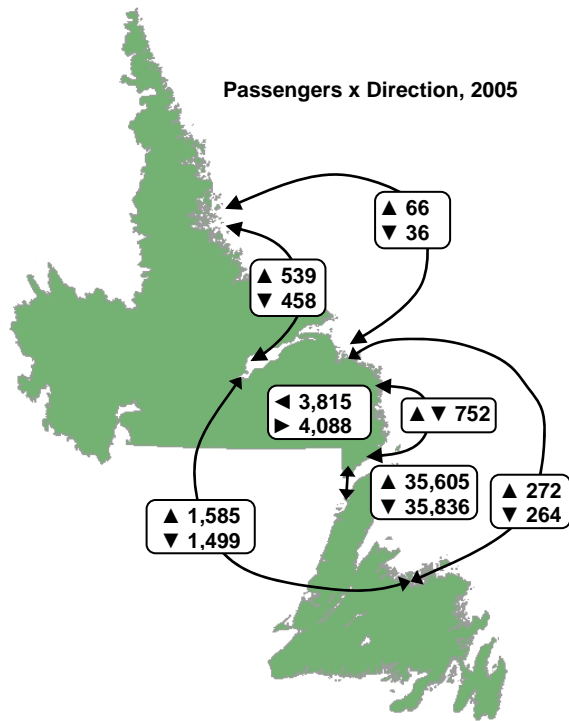
Marine services are provided to Labrador at a cost of over 20 million dollars annually and are highly subsidized (over 70%) by Government,



MV Sir Robert Bond

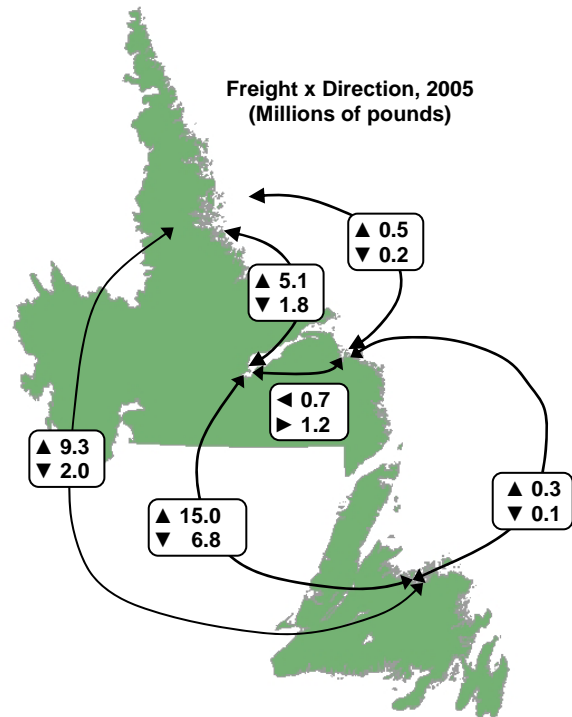
with only 5.7 million dollars in revenue being realized through both passenger and freight services.

During the 2005/06 season, nearly 90,000 passengers traveled on the four passenger vessels serving Labrador - 11,300 on the MV Sir Robert Bond; 71,400 on the MV Apollo; 6,400 on the MV Northern Ranger; and 750 on the MV Challenge One. The Bond and the Apollo also carried over 28,100 passenger automobiles (4,100 and 24,000, respectively) during 2005/06. The Apollo also carried just over 3,000 trucks and tractor trailers.



When one examines the type of freight on these routes, the largest volume (by weight) of products leaving the Island and going to Labrador are construction/building materials, food and drinks. With respect to freight leaving Labrador, the largest volumes are vehicles, fresh and chilled food (mostly fish) and drop trailers. Movement of freight within Labrador is comprised of mostly packaged goods, vehicles and heavy equipment/trailers; with large amounts of construction/building materials and food (non-chilled) also being shipped from Happy Valley-Goose Bay and Cartwright to the North Coast. While the Straits ferry service is not a freight service, per se, it did carry just over 3,000 trucks and tractor trailers in 2005/06.

Over 47 million pounds of freight were shipped by the Bond, Trans Gulf, Ranger and Challenge One during 2005/06; with 24.6 million pounds leaving the Island and going to various regions of Labrador; 8.9 million pounds leaving Labrador and coming to the Island; 1.8 million pounds moving between Cartwright and Happy Valley-Goose Bay; 5.6 million pounds leaving Happy Valley-Goose Bay or Cartwright and going to the North Coast; and, 2 million pounds leaving the North Coast and going to Happy Valley-Goose Bay or Cartwright. Of the 24.6 million pounds of freight leaving the Island, 62 percent was destined for Happy Valley-Goose Bay or Cartwright and 38 percent was headed to the North Coast.



Like the air service in Labrador, the requirement for and location of ferry service in Labrador needs to be examined in anticipation of the completion of the Trans Labrador Highway. A main issue for the Province is, that while the Federal Government

transferred one-time funding to the Province in 1997 through the Labrador Transportation Initiative Agreement, this is not sufficient to maintain the infrastructure and continue to subsidize cost over the long-term.

Road

The road structure in Labrador is currently comprised of nearly 875 kilometers of the Trans Labrador Highway (TLH); with an additional 285 kilometers to be completed by Fall 2009. In September of 2005, the Provincial Government was successful in having the TLH designated as part of the National Highway System (NHS). This was a very significant step for the

Province, since the TLH is now eligible for federal funding. Additionally, the Provincial Government is responsible for close to 260 kilometers of community access and local roads. Annual maintenance of these 1,133 kilometers of road is provided by the Provincial Government at an average annual cost of \$5,600 per kilometer.

Roads in Labrador Under Provincial Responsibility				
Road	Total Km.	Km. Surfaced	Km. Gravel	Designation
TLH - Labrador West to Happy Valley-Goose Bay - Route 500	554	36	518	NHS
TLH - Red Bay to Cartwright Junction - Route 510	321	79	242	NHS
TLH Phase III – Happy Valley-Goose Bay to Cartwright (<i>under construction</i>) - Route 510	285	-	285	NHS
Labrador West - Wabush Access Road	2	2	-	Community Access/Local
Central Labrador - Various Routes	64	46	18	Community Access/Local
Southern Labrador – Various Routes	192	7	185	Community Access/Local

Once again, a main issue for the Provincial Government is funding upgrades and maintenance, including snow clearing. While the Federal Government provided funds to develop the Trans Labrador Highway, these funds were insufficient to complete Phase III, let alone maintain and upgrade the TLH over time. As well, the Provincial Government will need significant funds to support the maintenance and upgrading of the community road infrastructure in the 32 settlements scattered throughout Labrador. One main issue that the trucking industry in Labrador has approached the Provincial Government on is that marine service is subsidized while the trucking industry is not and the cost to transport goods by road will thus be higher unless the Provincial

Government explores ways to address this discrepancy.



Snow blowers on Route 510 between Lodge Bay and Red Bay

Winter Trail System

Labrador also has an extensive winter trails system, comprised of 1,366 kilometers of transportation trails - 827 on the south coast and 529 on the north coast (plus an additional 1,024 km. of recreation trails). In 2005/06, the Province allocated \$240,000 to the Labrador Grooming Subsidy to provide support to regions along the north and south coasts of Labrador for maintenance of these 'winter roads'. The funds allow continued access for communities that do not have year-round road connections to other areas of Labrador.

The subsidy is administered by the Department of Labrador and Aboriginal Affairs. Grooming operations on the north and south coasts of Labrador are currently being overseen by Labrador Winter Trails Inc. (LWT) in collaboration with community councils and development associations, where relevant. LWT was formed in 1998 to oversee the development of a world class, quality winter trail system throughout Labrador.

Rail

While Newfoundland and Labrador no longer has a province-wide railway system, the Iron Ore Company of Canada (IOC) operates a 418 kilometer railroad, the Quebec North Shore and Labrador Railway (QNS&L). The QNS&L was built by IOC to move iron ore from the remote Quebec and Labrador interior to Sept-Îles, but also provides regularly scheduled, year round passenger service to the area. Passenger service is subsidized by the Federal Government due to the remote nature of the communities along the route, with 80 percent of the passengers traveling between Sept-Îles and Schefferville, Quebec. Wabush Mines also has an agreement with IOC for use



Quebec North Shore and Labrador Railway (QSN&L)

of the railway to transport its ore to Sept-Îles.

CONCLUSION

This is an exciting time for Labrador with many developments occurring in recent years and many more planned for the future. As transportation infrastructure takes many years to plan and implement, now is the time to plan for 10

to 15 years into the future. The Government of Newfoundland and Labrador is committed to planning now for the future and invites you to help us in this endeavour!

YOUR INPUT IS IMPORTANT TO US!

We invite you to play a role in the development of a Sustainable Transportation Plan for Labrador. **The Plan is intended to be forward looking and plan for Labrador's transportation needs in 2009 and beyond - once all phases of the Trans Labrador Highway are complete.** With this in mind, we would like you to tell us who you are, what area or point of view you represent, your challenges, and solutions so that we can best plan to meet Labrador's evolving transportation needs over the coming decades.

We invite individuals or organizations to complete the attached Feedback Form or forward written submissions to the Department at the address below. Additionally, the Department will be consulting with key stakeholders over the coming weeks to obtain input on the development of the Plan.

Please provide us with your input! We look forward to hearing from you.

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FEEDBACK FORM

1. Please start by telling us who you are and what area or sector you represent.

2. In your opinion, what economic and/or social development will occur in Labrador over the next couple of decades and what demands will this place on the transportation system and why?

3. What do you feel are some of the benefits of the current transportation system (road, marine and air) in Labrador?

4. What do you feel are some of the disadvantages of the current transportation system (road, marine and air) in Labrador?

5. How frequently do you travel on the Trans Labrador Highway?

6. Have you encountered any issues while traveling on the highway in Labrador, and if so, what are they?

7. How frequently do you use the Labrador marine services?

8. Have you encountered any issues while traveling utilizing marine services in Labrador, and if so, what are they?

9. How frequently do you travel by air from Labrador?

10. Have you encountered any issues while traveling by air from Labrador, and if so, what are they?

11. If you were to institute changes to the current transportation system in Labrador to prepare for 2009 and beyond, what would they be and why?

12. Are there any other comments that you would like to share with us?

THANK YOU FOR TAKING THE TIME TO RESPOND.

WE APPRECIATE YOUR INPUT!

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