

OUR COMMUNITY

BAYLINE BAILOUT

Port of Churchill and Hudson Bay Rail Line to be Upgraded

Churchill is once again blessed with friends in high places. This time our friend was Prime Minister Stephen Harper, himself. In a VIP packed trip to Churchill, he was accompanied by Manitoba Premier Gary Doer and MLA for Northern Manitoba Eric Robison from the Province along with Federal ministers Vic Toews (Treasury Board) and Chuck Strahl (Indian and Northern Affairs).

They arrived on Friday, October 5th for an eighteen hour visit, stopping first at the Churchill Northern Studies Centre before enjoying a helicopter and a Tundra Buggy tour. It was a short stay, designed primarily for the media (except me, of course, I was at a Winnipeg Blue Bomber football game). News reports indicate that, in classic Harper style, his moves and words were very controlled, right up to his handlers radioing him to give the 'thumbs up', once all the photographers were in place.

He also mistakenly took credit for being

the first Prime Minister to visit Churchill which, evidently, garnered a few 'harumphs' from long-time residents in the audience. It is quite common knowledge in Churchill that Liberal Prime Minister Pierre Trudeau visited in the 1970s.

During his stay, Harper announced new funding for the Port of Churchill and the Hudson Bay Rail line. All told this new cash infusion will amount to \$68 million, \$60 million for rail line improvements and maintenance and \$8 million for the port.

The \$60 million is a three-way funding program, shared between the Canadian government, the province of Manitoba and American-owned Omnitrax, owners of the Port of Churchill and the Hudson Bay Railway. Omnitrax owns and operates several small rail lines throughout the United States.

The \$8 million will primarily go towards a new bulk storage facility, designed in anticipation of increased imports running through the Port of Churchill. Omnitrax has been trying for several years to increase imports through the port with mixed results. This October, the port received a shipment of 18000 tonnes of

fertilizer from Russia, hopefully a sign of things to come.

Currently, the main user of this facility is the Canadian Wheat Board (CWB), a marketing agency created by prairie farmers. The CWB is currently Churchill's main exporter of grain, comprising approximately 80% of its exports.

In a rather ironic twist, former Agriculture Minister Chuck Strahl and Vic Toews, have been vocal and rabid opponents of the Canadian Wheat Board. Prime Minister Harper reiterated that they have not changed their position which was apparent by the lack of CWB representatives present. He maintained that with or without the CWB 'the Government of Canada will ensure this port is used and that there are shipments'.

While the CWB is the main client for the Port of Churchill, several northern corporations utilize the Hudson Bay Railway, including Hudson Bay Mining and Smelting, Tolko Manitoba, CVRD Inco, Gardewine North, Manitoba Hydro and Stittco Energy. With the prices of ore, lumber and petroleum products high, this is a lucrative and important line for Manitoba and Omnitrax.

This was a tough year for the Hudson Bay Rail Line. The rail line was 'condemned' in late July resulting in an absence of train service for several days at the height of Churchill's summer tourism season.

That was followed by long delays, sometimes up to 24 hours; the result of derailments, poor (or complete lack of) track maintenance, heaving permafrost and general finger pointing from Omnitrax to Hudson Bay Railway (a subsidiary of Omnitrax) to VIA Rail and back.

By mid-August, a train arrival of 4pm, only eight hours late, felt 'early'. Tough times for a tourist industry in tight competition for the summer tourist market. Equally tough to get grain into Churchill for the first ships of the season.

But, of course, tough times are nothing new for the Port of Churchill. It was virtually closed in the mid-1990s. The port, then government owned, was consistently losing money for ten years, with shipments hovering between 250-300 tonnes per year. This was in large part due to Canadian National Railways limiting the amount of grain shipped on the tracks due to the 'light rail and poor



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track base'. The tracks were in poor shape and not enough grain could be shipped to make the port viable.

In August 20, 1997, Omnitrax purchased the port and railway, beating out a competing Canadian bid (*ed. note: D'Oh!*). The grand total was \$11 million for the Hudson Bay Railway and seven dollars for the Port of Churchill, provided they commit to upgrading the rail line and port facilities.

Over the course of its first decade in Churchill, shipments have fluctuated, from a high to over 700,000 tonnes in 2000 to a meager 280,000 in 2002, after which Omnitrax indicated that it may not open the port for the 2003 season.

As a response, the federal and provincial governments partnered together to provide \$2.2 million of bailout money to go towards infrastructure and marketing of the port. This money would create the Churchill Gateway Development Corporation. Churchill had a banner year, shipping 615,000 tonnes that year.

This was a bit of a step up from the grant provided to the Hudson Bay Route Association, the traditional farmer-based promoters of the Port of Churchill. In 1999, the Saskatchewan provincial government gave them the grand sum of \$1,500! Churchill did 715,000 tonnes the next year. (*ed.note: Hey, I find that funny, give me a break.*)

In 2005, it was announced that the CGDC would receive another \$2 million, again split between federal and provincial governments. Omnitrax for its part committed \$1 million through its various guises. This was intended to cover five years worth of funding for marketing and cargo diversification.

Since then, they have hovered between 400 and 500 tonnes per year. With



Feed me, Seymour... Prime Minister Stephen Harper announced \$60 million in funding for the Hudson Bay Railway and \$8 million for the Port of Churchill, both owned by Denver, Colorado-based Omnitrax

this new funding, hopefully the Port of Churchill can once again reach average annual shipments similar to that of pre-1984 levels.

Finally, on April 1, 2006, Omnitrax sold off the money-losing Pukatawagan/Lynn Lake spur to a group of Manitoba First Nations, who with government assistance purchased the 185-mile line for \$4.9 million, leaving Omnitrax with 810 miles between The Pas and Churchill. They also still maintain an operating agreement with the new owners of the line, Keewatin Rail, providing service and equipment for this fledgling company.

Things are looking up for the Port. This year signified a first for the CWB and Port of Churchill with the *Kathryn Spirit* loading a domestic shipment of 12,500 tonnes of prairie wheat bound for a mill in Halifax.

The *Kathryn Spirit* is an arctic supply ship that had sailed from Montreal with goods for several remote Hudson Bay

communities, this time loading red spring wheat instead of returning empty. This development in combination with the shipment of fertilizer from Russia is, at least, a starting point for diversifying the port's operations.

This year, grain exports are expected to exceed 600,000 tonnes. It seems that more ships are being diverted through the Hudson Bay route this year due to low water levels in the Great Lakes, Canada's primary grain shipping route. Hopefully again, this is a sign of things to come and not another blip on the radar.

On another note, more funding for northern research was also announced by Harper. The final 26 projects qualifying for approval under the International Polar Year were listed.

A noticeable omission was Churchill's own, Churchill Northern Studies Centre. For over five years now, the CNSC has been attempting to raise money to renovate it facility, with some success

notably interest from the MacArthur Foundation. The goal is to truly make it a world-class research centre instead of as the Winnipeg Free Press kindly put it, a 'slightly ramshackle' one.

Considering that the press conference was held at the CNSC, it seems strange that no mention was made of the upgrade and renovations, especially given the fact that within these IPY announcements there is \$2.7 million earmarked for the PEARL research laboratory in Eureka, Nunavut. One should reasonably expect an announcement for the CNSC renovation before International Polar Year is over in March.

Just prior to the Prime Minister's visit, the province also commemorated the Hudson Bay Railway Line at a ceremony in The Pas. Late this September, Aboriginal and Northern Affairs Minister Oscar Lathlin unveiled an Historic Sites and Monuments plaque at The Pas train station. (*ed. note: I just about bought his used snowmobile four years ago, if you were wondering...*)

And, finally, despite the best efforts of Omnitrax engineers, who were up with the Prime Minister deciding where to spend the money on their track, our ever popular Bayline Girl feature has been cancelled until further notice... it was fourteen hours late for press time. In fact, I may never do a Bayline Girl again, its just not financially viable... unless there was some source of funding to keep this vital and important aspect of northern Manitoba alive... hmmm....

And, finally finally, since this is the Muskeg Special Issue, I would like to recommend that everyone checkout the new/old documnetary 'Muskeg Special' by Gregory Zbitnew - visit www.polarbearalley.com for a link.

- prepared by Kelsey Eliasson

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