

Manitoba

## Province kicks in \$73M, feds up to \$60M to upgrade northern Manitoba railway line

Hudson Bay rail line is the 'backbone of northern Manitoba': Northern Affairs Minister Dan Vandal

[Rachel Bergen](#) · CBC News · Posted: Aug 03, 2022 3:02 PM CT | Last Updated: August 3



Churchill Mayor Mike Spence says the funding announcement is good news for all Canadians, but especially for Indigenous people and people living in the north who will have better access to well-paying jobs. (Ian Froese/CBC)

The provincial and federal governments announced Wednesday they are spending roughly \$133 million to upgrade northern Manitoba's rail line, which has had lengthy service disruptions despite being the only land link to the south for many communities.

The province is spending up to \$73.8 million over two years to help the Arctic Gateway Group upgrade, operate and maintain the Hudson Bay Railway, Premier Heather Stefanson announced at a news conference on Wednesday.

The Arctic Gateway Group, a partnership of 41 First Nation and Bayline communities, owns and operates the rail line. Previously, it was owned by a U.S.-based company.

The federal government gave \$117 million to the new owners in 2018 and another \$40 million last year.

Ottawa will kick in up to \$60 million more, Northern Affairs Minister Dan Vandal said.

The total of \$133.8 million in new funding will support significant upgrades to the rail line, which is a vital transportation network in northern Manitoba, Stefanson said.

"This combined investment will secure the operations of our northern rail line and ensure Manitoba maintains its all-weather transportation network, which is essential for supply chains, food, security and international trade," Stefanson said.

Russia's invasion of Ukraine has disrupted supply chains and Canadians have to get creative, the premier said.

"The question of this new era of global trade is how Canada will help the world find alternatives of being dependent on Russian exports. The strategic northern transportation corridor, including the port of Churchill, will be one of those ... answers to that question," she said.

Arctic Gateway Group board member and Fox Lake Cree Nation Chief Morris Beardy said his community members are working hard on improvements to the line just a short drive north from Gillam, Man.

"I represent a community that helped build the Bayline," he said.

Churchill Mayor Mike Spence, who co-chairs the Arctic Gateway Group, said the government support is an investment for everyone in the country.



The first passenger train to Churchill in 18 months arrives in the northern town in a 2018 file photo. The Hudson Bay rail line has seen a number of disruptions due to flooding and weather conditions. (Arctic Gateway/Facebook)

---

"It's truly good for the north, good for the west and good for all of us Canadians," he said at the news conference.

The railway is prone to disruptions in part due to the remote, boggy terrain it runs through, and had stopped operating under its previous owners.

On May 23, 2017, service on the 400-kilometre railway was suspended after severe flooding washed it out in 20 different places.

That severed Churchill's only land link to the south and caused the cost of living to rise steeply throughout the north.

It took 18 months to repair the flood damage, "a disruption that left many northern communities unreachable and essentially cut off from essential goods and services," said Vandal, who is the member of Parliament for St. Boniface-St. Vital.

"It is critical to connect people of Northern Manitoba. It is the only affordable, year-round, all-weather mode of transportation available to passengers and freight to access the numerous Manitoba Bayline communities."

It's also important to maintain the line and address any deficiencies in order to maintain national and global interests, Vandal said.

"Simply put, the Hudson Bay rail line is the backbone of northern Manitoba."

Supply chain management expert Barry Prentice agrees the rail line is integral to Manitoba, but thinks the port of Churchill, at its northern terminus, isn't being used to its full potential.

"There needs to be a lot more investment in port facilities and also ... continuous upgrades. The port needs more traffic," he said.

With little growth likely in grain handling, the University of Manitoba professor suggests Churchill could be upgraded to become a container port, which would provide the two-way traffic it has always lacked. He also says it could be used to handle other commodities like oil or hydrogen, to meet the increasing global demand for energy.

"We have to find a new way to make that port viable."

---