

Western Economic Diversification Canada

News Release

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Canada's New Government Investing \$80 million in BC Communities Hit by Mountain Pine Beetle

Prince George, British Columbia — The Honourable Gary Lunn, Minister of Natural Resources, announced today the commitment of more than \$80 million from the federal Mountain Pine Beetle Program to help communities in British Columbia manage the long-term impacts of the unprecedented beetle infestation in the province.

Speaking at the Prince George Railway and Forestry Museum, Minister Lunn launched the Community Economic Diversification Initiative (CEDI) which will provide a total of \$36.6 million to support community capacity building and projects that offer innovative opportunities for economic growth, job creation and future sustainability of communities threatened by the beetle.

"Communities are feeling the impact of the beetle infestation today, and they will feel it for years to come," said Minister Lunn. "Our Mountain Pine Beetle Program is helping communities address short-term needs, such as fire protection, and we're also helping them address the long-term impacts by investing in efforts to broaden the economic foundations of these communities."

Two projects have been approved for funding under CEDI so far. Pending confirmation of funding from other partners, \$250,000 will go to Thompson Rivers University to equip a Mobile Training Unit. The Northern Development Initiative Trust will receive \$50,000 for its planned Northwest Corridor study.

Minister Lunn also announced that \$44 million in Pine Beetle Program funds will be invested in Transport Canada's Asia-Pacific Gateway and Corridor Initiative for transportation infrastructure in beetle-affected areas.

A first investment of \$12 million under this part of the program will go toward railway grade separations to eliminate three key level crossings: in Smithers, Terrace, and Ashcroft. These projects will be cost-shared with Canada's two national railways, Canadian National and Canadian Pacific.

"Eliminating these level crossings will increase trade efficiency and expand the potential economic opportunities offered by Canada's Asia-Pacific Gateway and Corridor to more communities in beetle-affected regions," said Minister Lunn. "Grade separations also reduce road congestion and idling at local rail crossings, thereby improving safety and providing environmental benefits."

Additional investments in transportation infrastructure will be announced in the coming months.

Canada's New Government announced the Mountain Pine Beetle Program in January 2007, pledging a total of \$200 million to work with the province of British Columbia and communities to deliver a comprehensive response to the infestation and its consequences. More information on the program is available at http://mpb.cfs.nrcan.gc.ca/index_e.html.

Note: This web version of the news release was amended after its release July 18th, correcting details of the Smithers, Terrace, and Ashcroft project.

For more information on the Mountain Pine Beetle Program, please visit:
http://mpb.cfs.nrcan.gc.ca/publications_e.html

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Backgrounder

The Federal Mountain Pine Beetle Program

Community Economic Diversification Initiative – \$36.6 million

Western Economic Diversification Canada's Community Economic Diversification Initiative (CEDI) will provide financial contributions toward projects that support new and innovative opportunities for economic growth and job creation and enhance the future sustainability of rural communities threatened by the Mountain Pine Beetle. Projects will be solicited through a public Request for Expressions of Interest process. The total budget provided for this initiative will fund both program implementation costs as well as grants and contributions.

Projects Announced under the Community Economic Diversification Initiative:

- The Northwest Trade and Manufacturing Corridor Opportunity Study

Western Economic Diversification Canada will invest \$50,000 in a Northwest Trade and Manufacturing Corridor Opportunity Study undertaken by the Northern Development Initiative Trust and the Northwest Corridor Development Corporation to determine the competitive advantages of the Northwest Corridor as it relates to attracting investment from the global manufacturing sector.

Based on this study, the project will identify options, develop policies and produce a strategic marketing analysis to attract business and manufacturing opportunities to the Northwest Transportation Corridor.

The Northwest Corridor is a vital northern transportation route aligned with the Yellowhead Highway and CN Rail line that runs from Edmonton west to Prince Rupert and north from Prince

George to Fort St. John along Highway 97. There are approximately 21 communities located along the Corridor, 18 of which have been affected by the Mountain Pine Beetle infestation.

- **Thompson Rivers University – Mobile Training Unit**

Western Economic Diversification Canada, through the Community Economic Diversification Initiative (CEDI), is committed to investing \$250,000 in Thompson Rivers University's Mobile Training Unit; contingent upon confirmation of funding from other resources.

The project will determine the trades training requirements of the Unit and purchase the appropriate training equipment to outfit an existing Mobile Training Unit.

The Mobile Training Unit will be capable of delivering specialized trades training to rural and aboriginal communities in the region. Specifically, the equipment purchased will facilitate mobile trades training in the welding, millwright and electrical fields.

Focused trades training will increase and diversify the skills for workers and entrepreneurs in the area, and enable them to take advantage of potential opportunities outside of the forest sector.

Backgrounder

Asia-Pacific Gateway and corridor Initiative projects funded under the Federal Response to the Mountain Pine Beetle Infestation

The Asia-Pacific Gateway and Corridor is a network of transportation infrastructure including B.C.'s Lower Mainland and Prince Rupert ports, their principal road and rail connections stretching across Western Canada and south to the United States, key border crossings, and major Canadian airports. The network serves all of Canada, and the Asia-Pacific Gateway and Corridor Initiative (APGCI) aims to take advantage of Canada's strategic location, at the crossroads between the North American marketplace and the booming economies of Asia.

On October 11, 2006, Prime Minister Harper announced the APGCI with an initial investment of \$591 million. A further commitment of \$410 million was made in Budget 2007, bringing total federal funding for the Initiative to more than \$1 billion. The APGCI is a long-term effort, focusing on infrastructure, policy, governance and operational issues together in one multi-modal, system-based, public-private strategy.

Through the Federal Response to the Mountain Pine Beetle Infestation, an investment of \$44 million is being made towards APGCI-related surface transportation projects with the goal of enhancing the economic base of impacted communities through economic development and infrastructure projects aimed at encouraging the long-term stability and diversification of economic activity in these communities.

In an era of rapidly moving and integrated global supply chains, policies and investments must consider entire transportation systems—systems that connect, for example, Asia with North America's economic heartland. In this context, making the right investments anywhere along the system benefits all who rely on it, and not just those in jurisdictions where dollars are invested.

The Government of Canada's contributions to APGCI projects will improve the transportation system by:

- increasing transportation capacity;

- reducing congestion at key locations for Asia-Pacific trade;
- improving connections between modes; and
- enhancing its efficiency, safety and security.

The Government of Canada's investments will continue to promote increased investments by the private sector and other public sector partners to ensure efficient and seamless connections between the various modes of transportation and improve traffic flows for international cargo.

PROJECTS FUNDED UNDER THE FEDERAL RESPONSE TO THE MOUNTAIN PINE BEETLE INFESTATION

The following projects will be implemented through cost-shared contribution agreements with the proponents. The federal contribution to all of the projects is conditional on all partners providing agreed funding and meeting all applicable federal and provincial requirements, including environmental assessments, regulatory approvals, completion of due diligence, contribution agreements and final federal project approvals:

1. Smithers Grade Separation

Location: Smithers, B.C.

Proponent: Canadian National Railway (CN)

Total Project Cost: \$6.0 million

APGCI contribution: \$2.75 million

Description: The Town of Smithers is located on the CN rail line serving the Port of Prince Rupert. In order to fully realize the design capacity of Prince Rupert's new container terminal, scheduled to open this fall, sidings along this rail corridor are being lengthened to accommodate trains up to 12,000 feet long. As part of this capacity upgrade program, a grade separation is required to accommodate this length of train at Smithers. Options will be considered for the exact location of a new grade separation to help mitigate road/rail issues.

2. Terrace Grade Separation

Location: Terrace, B.C.

Proponent: Canadian National Railway (CN)

Total Project Cost: \$9.0 million

APGCI contribution: \$4.25 million

Description: The City of Terrace is located on the CN rail line serving the Port of Prince Rupert. In order to fully realize the design capacity of Prince Rupert's new container terminal, scheduled to open this fall, sidings along this rail corridor are being lengthened to accommodate trains up to 12,000 feet long. As part of this capacity upgrade program, a grade separation is required to accommodate this length of train at Terrace. Options will be considered for the exact location of a new grade separation to help mitigate road/rail issues.

3. Ashcroft Grade Separation

Location: Ashcroft, B.C.

Proponent: Canadian Pacific Railway (CPR)

Total Project Cost: \$10 million

APGCI contribution: \$5 million

Description: The Village of Ashcroft is located on the CPR rail line to the British Columbia Lower Mainland. In order to accommodate a more efficient rail siding in Ashcroft, CPR has identified the need for a grade separation. A grade separation would enable full use of the siding, improve

truck/local traffic flow through the area, help CPR to attract businesses in the Ashcroft area, and enable CPR to provide more permanent employment and construction jobs to area residents. Highway 97C crosses the rail line at-grade and provides access to lands slated for future development. Options are being considered for the exact location of a new grade separation.