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Remarks: Anita L. Parlow at Hudson Bay Route Association Annual Meeting:

Thank you Sinc, Hudson Bay Route Association, and ladies and gentlemen for inviting me to participate in and contribute to your annual meeting at a significant moment, given that the sale of the OmniTrax Rail and Port Churchill may occur in the near term.

What the sale might mean for the Port, the Churchill community, the wheat growers who continue to export from the port, other agricultural interests, the First Nations communities who live along the rail line, and the First Nations that will acquire it, will shape the future of Saskatchewan and Manitoba and beyond in the medium and long term.

Sinc invited me to speak following an introduction by a mutual friend and colleague whom I met in the context of a project with TransCanada Keystone as the company was seeking approval for its pipeline in the US. Calgary-based TransCanada brought me in to help sort out their relationship with some of those who opposed its development on grounds of opposition to carbon fuels. I developed a strategic plan that would incorporate the various interests of the variety of stakeholders along the proposed route with particular focus on stakeholders who live in the Dakotas and Nebraska. The strategic plan was not used. Whether it would have made a difference – I don't know.

Following my work on the U.S. Gulf for six months after the spill, I wrote about Shell in the Alaskan offshore, which brought me to address issues in the Arctic context – the U.S., Iceland, Norway and Russia. In each situation, my work has been underscored by a rethinking of commercial possibilities given the melting of Arctic sea ice – for whatever the reason. As commercial shipping, cruise lines, research vessels, commercial and subsistence fishing – and in the long term, oil, gas and minerals – become more likely given the retreating sea ice – new standards in international and domestic law offer new opportunities for growth and development.

At this same time the sale of the Churchill Port and Rail moves forward, Sinc

thought that a brief description of some unfolding international events and standards might offer an opportunity for the Port and community at Churchill, Saskatchewan, Manitoba and beyond during this moment of change at both local and international levels.

A core challenge is to merge the two dynamics.

A moment of change requires preparation. Change - any change - whether carbon related or not - leaves uncertainty in its wake, and evokes a variety of sometimes opposing points of view, as has been mentioned during this meeting.

To begin with a strategic approach that places the various stakeholder interests first is critical. A stakeholder approach is inclusive – identifying the various interests to, hopefully, prioritize interests, understand each other, find empathy, and a strategy to move forward. Finding a degree to common ground, or, social license to operate, isn't easy – but vital given that we all, more or less, share the same planet space.

While the sale of the rail line and port has generated a variety of views, concerns and interest that, in some instances, collide - this is all occurring in the context of the combined forces of climate change, increasing globalization and advances in science and technology that is catapulting the Arctic region into the center of international geopolitics, where it is likely to remain. A strategic repositioning is demanding a rethink of policies, at local national, regional and international levels at elevated orders of magnitude.

A variety of commercial interests, international law and Arctic-wide business strategies - particularly shipping - will undoubtedly substantially increase over the next several decades.

Several earlier presenters have provided a rather optimistic scenario in terms of potential markets across Churchill Port moving east, to Europe, further east to Turkey, and south, to sub-Saharan Africa. Some have suggested that the sharp reduction in wheat exports last year is an anomaly - although late wheat crops could occur again this year.

That wheat is partly subsidized - for at least the next year - as it moves out of Churchill is another plus. What will happen after that raises significant questions. Others have expressed concern that Churchill is in decline. Whichever the assumed direction – your decisions moving forward will make all the difference.

Given the significance of Port Churchill and its location on the Hudson Bay - combined with the fact that an airport, rail line and port - key infrastructure elements all capable of operating in tandem – the region offers a solid framework for a thriving future, requiring a combination of vision and will to move forward.

In these respects, my presentation today has three main components:

The first part of my presentation will focus on some of those changes and what it might mean for the Port, the Hudson Bay region generally, the Hudson Bay Route Association, local communities and, First Nations.

Second, is to recommend an enhanced process by which the main concerns that the Hudson Bay-related communities and interests have - large and small - as this sale moves forward. How can the sale of the Port and Rail be a focal point to expand economic opportunity in the region? What priorities. And, what information – what informational architecture – needs be developed to enhance that opportunity?

And, third, several persons mentioned that a dispute resolution process might be developed by the Churchill or provincial government, or perhaps in each of the provinces impacted by the sale of the rail and port.

A somewhat informal, although formal in nature, mutually agreed upon mediation and facilitation process that would be available to all stakeholders located in the Hudson Bay region. Such a process could enhance communications generally, enhance the capacity for mutual understanding, and thus smooth the way to prepare for and focus the changes that are and about to occur.

Each of these require a stakeholder approach. Given the differences in priorities, views and differences amongst interests, a stakeholder approach offers a way to move forward. It is vital that everyone can agree with a process, even if not the outcome.

So, what are some of the external changes?

That climate changes occurring in the Arctic regions – for whatever reason – is drawing a combination of commercial interests into the region: shipping, cruise lines, tourism, scientific inquiry and the potential for both imports and exports. What this could mean for growth of the port, the economy, the Hudson Bay region, the Hudson Bay Route Association, local communities and First Nations raises a key questions – particularly in the context of the pending sale of the port and rail.

Significant changes in the Northwest Passage and sea-ice regimes are anticipated with longer shipping seasons, and perhaps greater use of Canadian waters by cruise ships and adventure tourists. Next summer, the California-based cruise group - the Crystal Serenity - plans to cross the NWP with some 1400 tourists on board. Preparing at this stage to make certain the ship is ice capable - even though summer months, with a small ice-breaker lead and much advance preparation for what will be a high visibility voyage. The Crystal Serenity, where a berth costs 21,000 USD and voyagers must purchase two - or

the entire cabin – is a potential for future income.

Increases in Arctic marine shipping is also being discussed by countries like China, Singapore and Iceland and Greenland just on other side of Baffin Bay - where everyone is seeking a short cut from China to Europe and greater commercial activity give. Given the shorter distances – although far more difficult and impossible during ice-covered seasons - than going through the Suez Canal, some intra-Arctic interest is being generated. Although shippers from Canada - like Fednav, Transport Canada and the Coast Guard – don't see this happening any time soon, projections in next 10-20-30 years has led to some specific changes in international standards - that Canada will incorporate into its regulatory processes.

The new standards might offer a potential for Hudson Bay and Port Churchill to serve, for example, as a port of refuge, the host for Search and Rescue and spill response capabilities, an expanded scientific research center and increased tourism activity.

Further, the news international standards regarding protection of the marine environment from contaminants and wastes, suggests a potential for another engine for growth as required environmental management systems as part of an Arctic-wide system for ships anticipated.

Arctic Port-to-port relations are also accelerating. For example, the port at Portland, Maine has developed commercial and other relations with the ports at Iceland, Tromso, Norway and is hoping to expand toward Murmansk. Port Churchill would indeed benefit from an intra-Arctic port system that in its coordination could enhance markets, draw more shipping and integrate into an Arctic-wide economy while maintaining – while also expanding its international markets to Europe North Africa and Turkey.

Why the Canadian Coast Guard does not yet operate in Hudson Bay is curious – and might become a vital question as Polar Code requirements come into play on January 1, 2017 – with its strict requirements for both environmental protections and safety and protection for mariners.

Someone mentioned investments. Public-private strategies developed in the context of the sale of the port and rail – with a specialized niche for Port Churchill. Several points mentioned such as the need for ice-breakers and the status of the Churchill Arctic Ports Act – would deepen the framework for Port Churchill's renaissance.

What better time to draw from the people in the region, strategic thinking for hard infrastructure and optional multiple uses for the rail and port.

- On shore capabilities – human capital

- Hard infrastructure
- Search and Rescue capabilities
- Oil spill response
- Science – destination for scientific inquiry on Arctic matters
- Tourism: Given polar bears and reality TV program involving Mayor Mike Spence - likelihood to increase.
- Resupply communities
- Wheat and pulse crops increase
- Potential for energy exports

How the development unfolds is as important as what unfolds. Communication with all of the potential stakeholders is vital. Building in capabilities at local and provincial levels – such as what is occurring within the framework of the Hudson Bay Route Association – is the difference between a focused, forward moving process and one that is too open to controversy. Controversy is inevitable in the context of change. How stakeholders are integrated into the conversation moving forward makes all the difference.

I am honored to have been invited to speak at this Hudson Bay meeting, and I wish you all the very best.