



PrairiesCan

EVALUATION OF THE RESTORING THE RAIL SERVICE TO CHURCHILL INITIATIVE (RRCI)

Summary Report

October 2024





Evaluation of the Restoring the Rail Service to Churchill Initiative (RRCI)

Aussi disponible en français sous le titre : << Evaluation de l'initiative de rétablissement du service ferroviaire à destination de Churchill (IRSFC)>>.

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Catalogue No. : lu98-4/3-2025E-PDF

ISBN : 978-0-660-74892-4

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ACRONYMS

AGG	Arctic Gateway Group
HBR	Hudson Bay Railway
MB	Manitoba
MRLP	Mississippi Rail Limited Partnership
OCN	Opaskweyak Cree Nation
PrairiesCan	Prairies Economic Development Canada
RRCI	Restoring the Rail Service to Churchill Initiative
WD	Western Economic Diversification Canada

I. INTRODUCTION

Goss Gilroy Inc. (GGI) was hired to conduct an evaluation of the Restoring the Rail Service to Churchill Initiative (RRCI). This evaluation was included in Prairies Economic Development Canada's (PrairiesCan's) evaluation plan for 2020-25.

EVALUATION SCOPE

The scope of this evaluation covers the activities resulting from four Contribution Agreements signed in 2018 between Western Economic Diversification Canada (now PrairiesCan) and the Arctic Gateway Group (AGG), for three areas:

- **Acquisition** of the Hudson Bay Rail (HBR) Company, Hudson Bay Port Company and Churchill Marine Tank Farm by the AGG.
- **Repair** of the Hudson Bay Rail Line and Port Terminal Assets.
- **Operational Support** to the Hudson Bay Rail Line and Port Terminal Assets from 2018-19 to 2027-28 (a 10-year period).

The evaluation is an impact evaluation, and its focus is primarily on the communities impacted by the initiative, including the groups that currently form the Arctic Gateway Group and Mississippi Rail LP, and other communities in Northern Manitoba that derive benefits from the initiative.

METHODOLOGY

The evaluation used a mixed-methods approach, where data were collected from a range of sources to ensure multiple lines of evidence were available when analyzing data and formulating findings. A more detailed description of the methodology and limitations is contained in Appendix A. As an overview, seven main methods were applied to conduct this evaluation:

- A literature and document review.
- Key informant interviews with 39 people.
- A survey of community members, open to those who live(d) or work(ed) in a community near the Hudson Bay Railway in Manitoba, Saskatchewan or Nunavut within the past 5 years.
- A site visit by GGI evaluators to northern Manitoba.
- Four case studies of communities along the Bay Line; including Churchill, Thicket Portage, Thompson and The Pas/Opaskweyak Cree Nation (OCN).
- An economic trend analysis.
- A focus group consultation to validate findings.

LIMITATIONS

Limitations in Scope

The scope of this evaluation is limited to the 2018 Contribution Agreements for the acquisition, repair and operations of the HBR companies. It does not include agreements related to the railway concluded after this time.

INTRODUCTION

Beyond including its initial acquisition, the Marine Tank Farm is out of scope for this evaluation.

This evaluation does not assess the potential of the railway or Port in terms of future economic development, such as its potential role in the development of shipping corridors.

In addition, it should be noted that the work for this evaluation took place between August 2022 and October 2023 and represents information available at that time.

Data Limitations

Statistical data over time was sought to identify the impact of the closure of the rail line after flooding occurred in 2017. However, because of the small size of the population in northern Manitoba, the availability of data is limited. While a number of avenues were explored to obtain more disaggregated data, it was concluded that it was not possible to accurately further disaggregate the available data which covers broader areas of the province, to show economic trends in the flooding-affected region over the time period in question.

BACKGROUND

Construction of the rail line that today is the route to Churchill began in the late 1880s under the Canadian Northern Railway and was completed by the Government of Canada. The railway opened officially on September 10, 1929, as the Hudson Bay Railway, and was operated by Canadian National Railway from 1929-1997. In July 1997, OmniTRAX, a private company based in the U.S., purchased the rail line and operated it until 2017, when the Herchmer subdivision between Gillam and Churchill was closed due to washouts from severe flooding. There was a need for repairs to be undertaken so that train service could resume, and the federal government provided support for the Restoring the Rail Service to Churchill Initiative. Through the RRCI, the railway, a marine fuel tank farm and the Port of Churchill were sold to the AGG.

AGG was initially a partnership of private sector partners (AGT Food and Ingredients and Fairfax Financial Holdings Limited (Fairfax)), and First Nations and northern communities in Manitoba (Missinippi Rail Limited Partnership (MRLP), now commonly referred to as OneNorth).

The AGG Partnership was governed by an eight-member board, with four members from Fairfax and four from MRLP. Each had 50 % equity ownership.

In March of 2021, the AGG announced an ownership transition that saw Fairfax withdraw, leaving MRLP with 100% ownership of AGG, and therefore of the Port of Churchill, the Hudson Bay Rail Line, the Churchill Marine Tank Farm, and associated assets.

The Minister responsible for PrairiesCan and the Arctic Gateway Group Limited Partnership established a Monitoring Committee to administer and manage the Contribution Agreements. Each party appointed two members to the Committee, with one appointee from each party acting as Co-Chair (“Federal Co-Chair” and “Recipient Co-Chair”).

LOGIC MODEL

Based on project documentation and refined through the scoping interviews, a logic model was developed (see Figure 1) by the evaluation team in order to outline the initiative’s primary activities and expected outcomes. A logic model is a graphical representation of the “results-chain” of the project, showing how activities link to outputs, which then link to outcomes (immediate, medium-term and long-term).

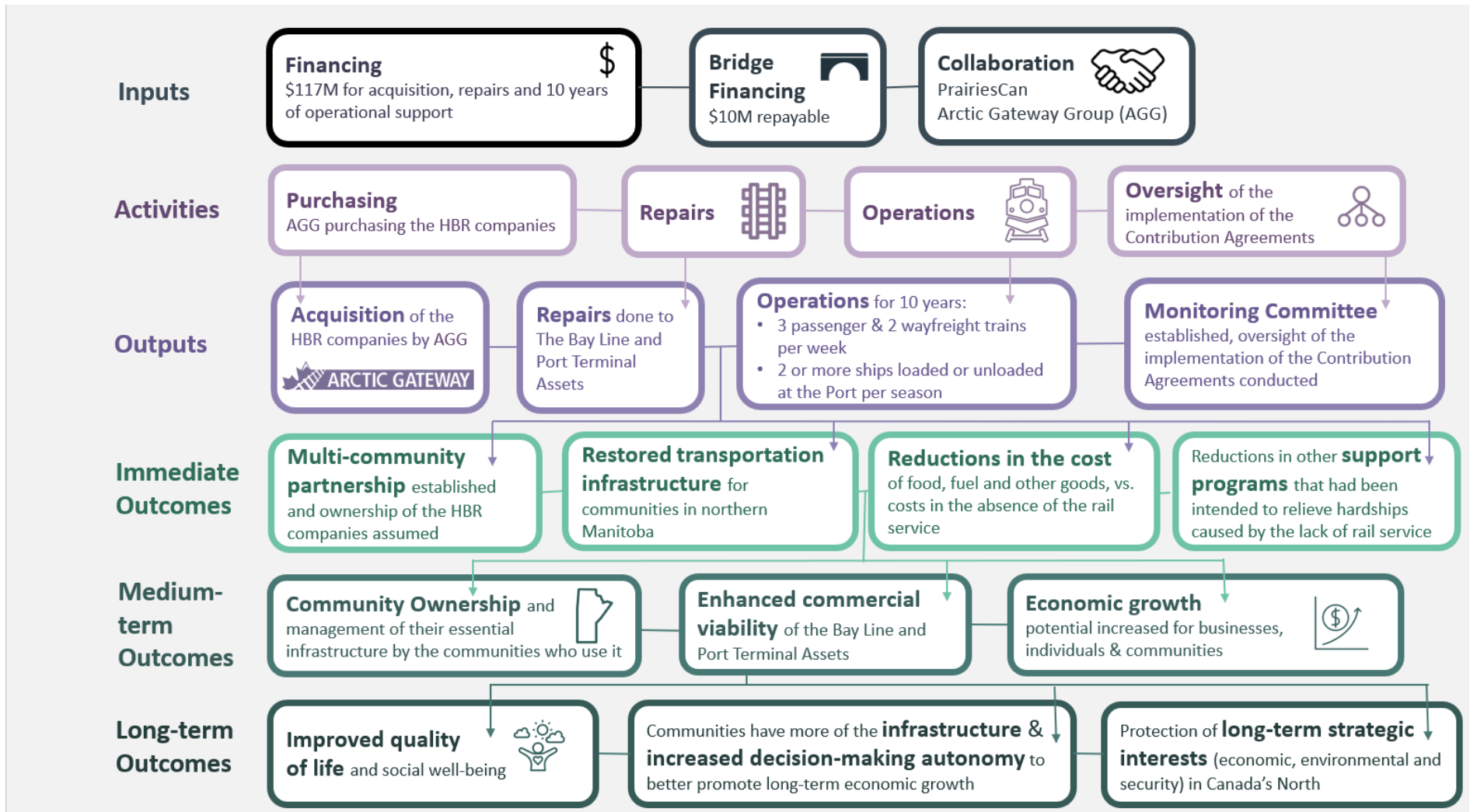
The **activities** are those outlined in the Contribution Agreements, namely the purchasing of HBR companies by AGG, the undertaking of repairs to the rail line, operating the railway and Port, and oversight of implementation of the Contribution Agreements by the Monitoring Committee.

The expected **outputs** are the direct result of implemented activities, while the **immediate outcomes** are the changes that are expected to come from these activities and outputs, in a short period, and largely attributable to the initiative.

The logic model also outlines **medium-term outcomes** and **long-term outcomes** to which the projects is expected to contribute. As a concept, medium and longer-term outcomes are less directly attributable to an intervention (i.e., the initiative) alone, since other intervening factors play a role over time.

Based on the Logic Model developed for this evaluation, an Evaluation Framework Matrix was created. This framework sets out the evaluation questions, as well as indicators to measure them, and the methods applicable to each question. The Evaluation Framework is included in Appendix B.

Figure 1: Logic Model for the RRCI



II. FINDINGS

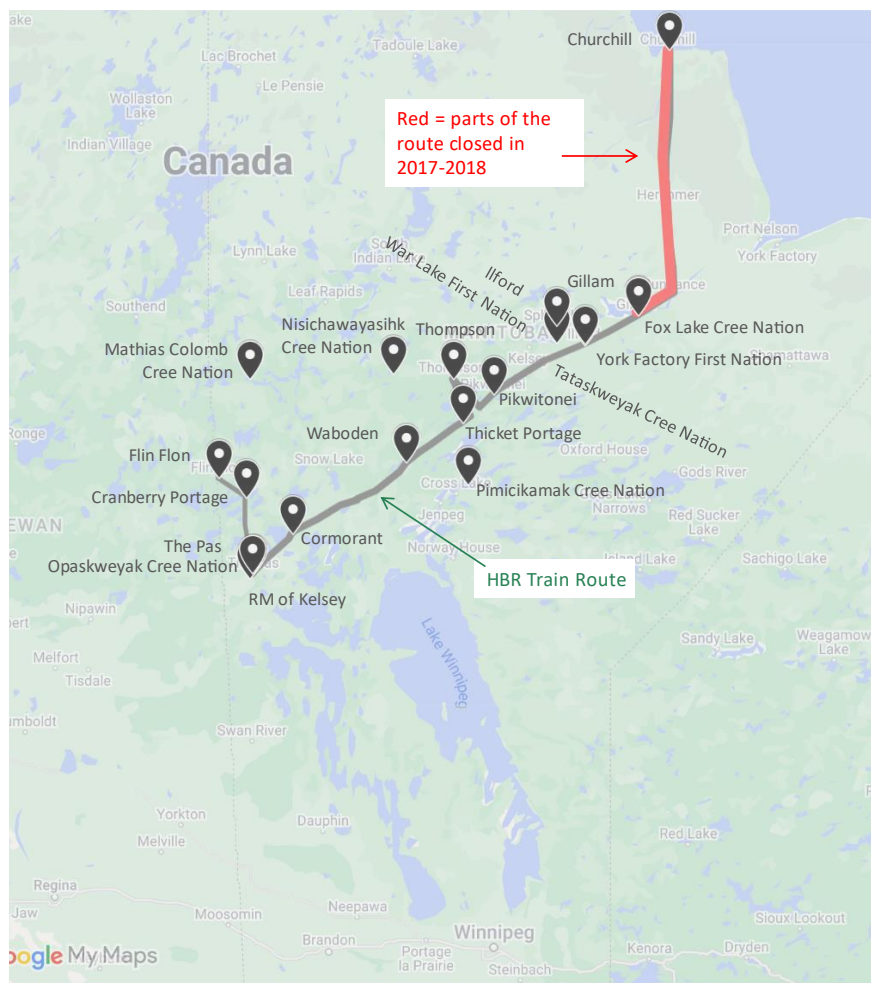
1. Relevance

This evaluation sought to establish whether the RRCI was relevant and appropriately tailored to the goals and needs (economic, political, social) of the affected communities in Manitoba and Kivalliq. The evaluation found that the RRCI was very relevant, and it responded to a crucial need of communities and First Nations in northern Manitoba.

The Need for the Railway

The Hudson Bay Railway extends from The Pas/OCN to Churchill, Manitoba, connects with Flin Flon and Thompson, and interlines with the Canadian National Railway southward to Winnipeg and to Western Canada. There is no road access to Churchill or other communities north of Gillam, and some other communities along the train line (Thicket Portage and War Lake, for example) also do not have year-round road access and rely on the train for passenger and freight services.

Figure 2: Map of the Hudson Bay Railway and stakeholder communities



The washout of the rail line in 2017 happened north of Gillam and resulted in train service being halted north of that point. (Figure 2 identifies the parts of the route that were closed.)

Residents consider the train to be essential infrastructure and was called a 'lifeline' by many residents in the region. Churchill itself is accessible by air, but as frequently cited by interviewees the train provides a more affordable and accessible option for

people living in the region¹. People use the railway to travel to visit family and friends, or to travel to Thompson or Winnipeg to access goods and services. Churchill and other communities along the line rely on the rail for the shipment of goods and supplies which arrive on a weekly basis. The train also serves Churchill's resupply industry as freight is shipped from Thompson to Churchill during the spring and summer and then to Nunavut through three to four sea lifts during the June to October period.

The HBR and the Port of Churchill have been major employers for residents of the area, especially when grain was being exported through the Port prior to 2016. The rail has also facilitated tourism, another key sector for employment in the town. It facilitates economic development, providing jobs and connections to markets for residents all along the rail line.

In addition, the railway has a role as transportation in bad weather conditions. The railway may run when cars cannot and when planes are not able to land. In communities without road access like Thicket Portage, the RCMP and the fire service also use Hi-Rail truck escort on the rails to access the communities when needed.

Needs Arising from the Washout of the Railway

As a result of washouts in March 2017, the rail line became unusable north of Gillam, making Churchill accessible by air only. The town experienced challenges associated with the shipment of supplies into Churchill and increased food costs. While the town had an existing stock of gas and propane, prices increased as supply decreased. The region became dependent on sea lifts from eastern Canada for gas, propane, lumber, vehicles and other heavy goods (detergents, cooking oil) while perishables were shipped by air from Winnipeg. Residents also relied on online shopping, shipped by air, for items such as household supplies, toiletries and clothing.

The closure impacted local employment associated with the rail, the Port and the tourism sector and residents were isolated and did not have an affordable means to visit family members outside of Churchill, or access Thompson for goods and services.

Informants described being most impacted by the uncertainty of not knowing whether the rail line would re-open and when. Some residents left Churchill at this time resulting in the school losing approximately 50 students, according to interviewees.

"When the rail line went out, it was hard. People have relatives in other communities. Kids couldn't see their grandparents; parents couldn't visit their kids; if someone passed away you couldn't afford to fly. It was really tough." - A Churchill resident

During the period of the train line's washouts some of the economic impacts experienced included food and gas price increases, layoffs, supply shortages, loss of tourism, affordability crises for residents, along with increased food bank usage, and increased costs of mitigation measures, such as emergency supplies, subsidies, and economic development programming.

¹ For example, at the time of report writing, a train ticket from Thompson to Churchill on May 15, 2024 would cost \$79 for the least expensive fare. There are only two Calm Air flights from Thompson to Churchill in the month of March. A flight ticket for March 15 starts at \$498.79.

Relevance of the RRCI in meeting those needs

All interviewees, across all groups, indicated that the RRCI addressed the needs and goals of the affected communities. Conducting the repairs to the railroad provided redress for many of the needs in the short term, such as the resumption of rail service. The ownership model that was implemented was relevant to medium- and longer-term objectives, specifically by putting ownership and control in the hands of the communities which have a vested interest in keeping the rail line functional and working to serve the communities.

There are environmental benefits to the restoration of rail service, with the clean up and remediation (cleanup of hazardous substances and contaminants) conducted in restoring the railroad. Using trains for shipping is environmentally cleaner than shipping by truck or air. The Association of American Railroads estimates that freight railroads are 3-4 times more fuel efficient than trucks on average and that moving freight by train instead of trucks reduces greenhouse gas emissions by up to 75%².

Relevance of the Role of PrairiesCan

According to interviewees, PrairiesCan was actively involved in planning and coordinating the initiative and helping the community ownership of the rail infrastructure become a reality. Interviewees indicated that this ownership model may have been more complicated to pursue, but that it offered a longer-term solution to addressing the ongoing problems with the railroad. Throughout the initiative, PrairiesCan has remained engaged, and has continued to play a key coordination role. Both PrairiesCan and Transport Canada have been represented on the RRCI's monitoring committee, along with AGG representatives.

2. Effectiveness

This evaluation sought to establish whether the RRCI has been effective in undertaking the activities it planned and achieving the outcomes it sought to achieve.

Activities and Outputs

The RRCI has been effective in undertaking its activities and outputs. The acquisition of the railroad by AGG and its establishment as a company have been accomplished. Repairs to the rail line were undertaken quickly, and interviewees indicated that the state of the rail line is now much improved, compared to how it was before AGG's ownership. There is still more work to be done to continue repairs and improve the operations of the rail line.

Improvements in safety have also resulted from the RRCI. Interviewees report that the repairs have been extensive and have increased the safe functioning of the railroad.

Operations of the train have resumed, with both passenger and wayfreight trains operating. The Port of Churchill is receiving cargo sent on the train, which is then shipped on resupply ships to Nunavut.

² Association of American Railroads, *Freight Railroads and Climate Change*, March 2021.
<https://www.aar.org/wp-content/uploads/2021/02/AAR-Climate-Change-Report.pdf>

The Port has undergone some repairs, but more repairs are needed, and plans for the future of the Port are still under development.

Immediate Outcomes

The establishment of the multi-community partnership which is Mississippi Rail LP (referred to as OneNorth), has been successful, and has resulted in change. Many interviewees noted that the owners are now those with a vested interest in the railroad, and that this has contributed to the improved outcomes, and is likely to continue to do so.

“Absolutely improved. There has been fantastic work on the line under the new ownership. We are arriving into Churchill on time – there have been on time performance improvements. (...) Of course, there will always be improvements needed given the area they are operating in.” – An interviewee

Outcomes to Achieve: What We Heard

Improvements to Rail Service to Serve Community Members

Both interviews and the survey responses indicate that while the outcomes achieved with the RRCI have been extensive, there are still some other desired outcomes and improvements that have not yet been achieved. The feedback received relates primarily to areas where there could be improvements to rail service in the interest of community members who rely on the rail as essential infrastructure. It should be noted that while AGG owns the rail line, the train service is operated by VIA Rail, and so AGG does not have control over all policies. That being said, “what we heard” is included in this report to increase awareness of community needs regarding the railroad.

Some of the suggested areas of improvement are:

- Accessibility

Feedback indicated that getting on and off the train was not wheelchair accessible. As observed on the site visit and reflected in many stakeholder comments, the passenger trains operating on the HBR-owned rail corridor are older trains without modern updates.

- Need for improved communication regarding delays

- Communities would like to be better informed about the state of the line and delays. It was reported that there have been occasions when people have been left waiting for the train for hours, at night, in the cold, without shelter. Posting about delays on the internet is not sufficient, as internet access is limited in some parts of the north. Interviewees indicated that calling the national number for information about delays can be challenging when asking about small stops in northern Manitoba. As one survey comment indicated: “Train schedules need to be reliable months in advance whenever possible and cancellations of regularly scheduled trains should be announced well in advance.”

- Need for more ease in terms of purchasing tickets
 - Purchasing tickets cannot be done in person except in larger communities, and discounted tickets cannot be accessed in person on the train.
- Need for enhancements to the tourist experience on the train
 - A few community interviewees in the tourism industry indicated the tourist experience would benefit from enhanced services on the train, such as a dining room or kitchen, dome cars, and more sleeper cars. The lack of available sleeper cars has resulted in the cancellation of some planned tourism excursions. In addition, the passenger cars, including dining and sleeper cars, are older equipment requiring repairs and maintenance.
- Need for allowing pets on the trains

Some feedback related to areas which are (at least partly) within the purview of AGG, included:

- Shipping prices
 - Prices for shipping were mentioned as sometimes being prohibitive for community members, creating economic challenges. Getting supplies such as furniture can be very expensive to ship.
 - Others rely on the rail line for hunting, and the extra fees for bringing back what they catch can be prohibitive.
 - One person expressed a desire for a freight terminal in The Pas/OCN.
- Need for more communication and consultations with community members
 - Some Churchill community members commented on the storage of large piles of gravel on the coast road near Churchill by AGG, which has raised concerns about impacts on the view. It was felt that involvement of the public in this and other such decision-making processes should be sought.
 - Other interviewees and survey respondents indicated a desire for greater communication about other decisions, such as the future of the Port.

Other respondents commented about the slow speed of the train, the need for completing the repairs, and for ensuring ongoing maintenance.

If the Initiative had not been Undertaken

The economic effects of the rail washout were extremely significant for the region. If the rail service had not been restored, these effects would be likely to compound and exacerbate, entailing ongoing high costs for residents as well as provincial and federal governments. There would have been a loss of future opportunities for economic development, such as a shipping 'corridor'.

Medium-term Outcomes

In a region where 76.6% of people identify as Indigenous, it is significant to note that the community ownership model adopted by this initiative includes ownership by First Nations, Northern Affairs communities and other communities.

Member communities are essentially involved in AGG by means of having representation on the MRLP Board of Directors, or by the community's membership in the associations which select representatives to the Board (such as the First Nations Communities, Northern Association of Community Councils, and by Association of Manitoba Municipalities). However, for interviewed individuals living in AGG member communities, there was not always an understanding of how their own community is involved in AGG, and what ownership may mean for them. There is a desire for greater information and communications to member communities about AGG and the HBR, to increase understanding and awareness of how this model is working and serving its members.

An Essential Service and Commercial Viability

At this time, it is too early to determine if or to what extent the commercial viability of the Bay Line and Port Terminal Assets has been enhanced. More concrete plans for developing shipping through the Port are currently being implemented. The restored rail service should be considered both an essential service in providing a transportation link and maintaining the shipment of supplies in and out of communities, as well as an eventually profitable business model when considering the opportunities presented by the Port of Churchill.

Inclusiveness

In terms of the governance of MRLP (OneNorth) and the AGG Board of Directors, Indigenous peoples and First Nations are well-represented. Many of AGG's employees are Indigenous. According to AGG reporting in February 2024, approximately 70% of employees self-identify as Indigenous and over 75% of their seasonal workers self-identify as Indigenous.

Whether information on gender is collected or considered by AGG is unknown. One of the three current AGG Board of Directors is female, though there was no indication that there were any females currently in management at AGG.

3. Efficiency, Design and Delivery

This evaluation sought to consider whether the nature of the design and delivery of the project was efficient and appropriate, considering the project's monitoring committee and reporting requirements.

The monitoring committee was established by the 2018 Contribution Agreements and is comprised of two Government of Canada representatives and two AGG representatives. Feedback indicated that it has provided a regular avenue for communication between AGG and the Government of Canada through PrairiesCan and Transport Canada. This contributed to the success of the initiative.

The reporting requirements are more extensive than would normally be required for PrairiesCan-funded initiatives, however, the increased amount and frequency of reporting is appropriate given the scale of the initiative and its impact.

One significant accomplishment of this initiative is the speed with which repairs were undertaken and the rail service restored. The Agreements were signed on August 31, 2018, and the first train arrived in Churchill on October 31. Some AGG and community stakeholders indicated that having the ability to regularly have discussions with PrairiesCan management members helped to address problems and get the initiative going with speed.

Others also mentioned that the commitment of the parties involved in this initiative has been an important factor for success. It was said there was a willingness to be flexible and work with each other.

Though the RRCI is not a typical project, the lesson that commitment, collaboration, and flexibility of the parties involved contributes to success is applicable to initiatives of all sizes.

Overall, the design and delivery of the project has been appropriate and efficient, resulting in a speedy solution to the immediate need for resuming train operations. In addition, it has done so while considering long-term needs, establishing the community ownership model and investing in quality repairs to the rail line.

4. Sustaining the ownership model and governance

Finally, the evaluation considered the question of what is needed to sustain the ownership model and governance of the initiative going forward.

Overall, the ownership model has been sustained throughout the initiative and shows no indication of any impediments to continuing. The MRLP partnership, which involves many diverse communities from across the province, has continued as owners of AGG. Although Fairfax and AGT exercised their 'put' option to withdraw from the AGG partnership, this happened well after the rail service was resumed and AGG was established, and the change in ownership, though it has required adaptation on the part of AGG, does not seem to have created any impediments to its ongoing functioning. This 'model' of community ownership is still evolving, as it adapts to changes such as the withdrawal of Fairfax and AGT, and turnover in the AGG management team. During focus group discussions, AGG representatives indicated that expanding the Board may be considered at some point in the future, and that the model continues to adapt and develop. Continued commitment from communities and First Nations, government and other stakeholders, as well as a willingness to adapt and evolve the model as appropriate, will contribute to sustaining the model going forward.

In terms of whether and how this project could inform any future initiatives, the key area of potential interest is certainly the innovative model of community and First Nations ownership of the rail line.

III. CONCLUSIONS AND CONSIDERATIONS

Conclusions

The RRCI responded to a crucial need of communities and First Nations in northern Manitoba. During the period of the rail line's washout, the economic impacts were significant.

If the rail service had not been restored, the negative effects would have been likely to compound and exacerbate, entailing ongoing high costs for residents as well as provincial and federal governments. There would have been a loss of future opportunities for economic development, such as a possible shipping 'corridor'.

The RRCI addressed the needs and goals of the affected communities. Conducting the repairs to the railroad provided redress for many of the needs in the short term, such as for the resumption of rail service. The ownership model that was implemented was relevant to medium- and longer-term needs, specifically by putting ownership and control in the hands of the communities which have a vested interest in keeping the rail line functional and working to serve the communities.

The RRCI has been effective in undertaking its activities and outputs, including acquisition of the HBR companies by AGG, repairs to the rail line and operations of the train and Port. It has achieved most of the targeted immediate outcomes and has contributed to medium and longer-term outcomes.

The restored rail service should be considered both an essential service in providing a transportation link and maintaining the shipment of supplies in and out of communities, as well as an eventually profitable business model.

Considerations

The findings of this evaluation are very positive regarding the relevance, effectiveness, and efficiency of the RRCI. It is a relatively new initiative, and of course there are still refinements which could be made. It is relevant, therefore, to mention some areas where more work could be done to refine the initiative.

C1. Continue to consider investments supporting the economic development of northern communities and First Nations

This evaluation found that the RRCI responded to a significant need among communities in Manitoba's north and has generated significant outcomes and benefits. The investment helped to strengthen the foundations for economic development in the region by securing essential infrastructure under a community-ownership model that is likely to increase its sustainability. Given the merits of this investment, PrairiesCan should continue to consider investments supporting the economic development of northern communities and First Nations.

CONCLUSIONS & CONSIDERATIONS

C2. Build on “What We Heard” from community members

AGG management has indicated their commitment to continue to be responsive to the needs of the people in its member communities, and the consultations conducted for this evaluation offer opportunities that identify areas to address in future. The following are considerations:

C2a. Continue evolving the community-ownership model

RRCI’s model of community and First Nations ownership of the essential infrastructure is innovative and is functioning well. Support through the RRCI will not come to an end until 2028, and as the project continues, there are opportunities to continue evolving and refining the model. For example, there is a desire for greater information and communications to member communities about AGG and the HBR, to increase understanding and awareness of how the ownership model is working and serving its members.

One possible measure to address this is for AGG to develop regular, accessible narrative communications to its member communities, such as an annual plan at the beginning of a fiscal year, and an annual report at the end.

It is also expected that this community-ownership model may continue to evolve in areas such as the composition of Board membership as relevant.

C2b. Increase communications with the public in member communities

There is an appetite for more communication from AGG to the public in member communities regarding plans for the future of the rail and Port of Churchill. The rail line wash-out in 2017 created a great deal of uncertainty which lingers today, and which greater communication could help to alleviate. There is also an appetite for more consultations with community members regarding decisions about the rail and Port which may impact their communities.

C2c. Explore opportunities for improvements to rail service to serve community members’ needs

Stakeholders perceive that the restored rail service should be considered both an essential service in providing a transportation link and maintaining the shipment of supplies in and out of communities, as well as an eventually profitable business model when considering the opportunities presented by the Port of Churchill. Articulating and communicating this vision would be a useful part of future planning as well as public communications for AGG.

This evaluation heard that there are areas where opportunities for improvement could be explored so that the train can meet the needs of community members who rely on it as an essential service. One challenge in addressing these needs, however, is that AGG does not have direct control over many of the policies related to the nature of passenger train service, since these policies are set by the operator, VIA Rail. However, it is important that this information is included in the evaluation in order to provide AGG and PrairiesCan with awareness of expressed community needs regarding the railroad. This information will help AGG to work to enhance possibilities through their business relationships with Via Rail. The needs include, for example, greater wheelchair accessibility, allowing pets on the train, greater

CONCLUSIONS & CONSIDERATIONS

ease of purchasing tickets, increased communications regarding delays, and measures to mitigate the prohibitive costs of shipping for community members. AGG could explore whether and how to advocate on these issues to the service provider to support its passengers' interests, either now or in the future.

APPENDIX A: DETAILED METHODOLOGY

The evaluation used a mixed-methods approach, where data were collected from a range of sources to ensure multiple lines of evidence were available when analyzing data and formulating findings. Seven main methods were applied to conduct this evaluation:

- A literature and document review.
- Key informant interviews with 39 people. This included:
 - 5 scoping interviews.
 - 10 interviews by phone or video.
 - 24 interviewees through 15 in-person interview sessions conducted during the site visits.

Interviewees included:

- PrairiesCan/WD senior management.
 - Past and present members of the project Monitoring Committee, including government and community/First Nation representatives.
 - RRCI agreement negotiator.
 - AGG management and staff.
 - Mayors, Chiefs and other municipal and council members.
 - Chamber of Commerce representatives, and other private sector representatives (in tourism, mining and other fields), including small business owners.
 - Community and community group members.
- A survey of community members, open to those who live(d) or work(ed) in a community near the Hudson Bay Railway in Manitoba, Saskatchewan or Nunavut within the past 5 years. As an incentive, anyone who completed the survey was eligible to win a \$700 gift card for VIA Rail. In total, 111 complete and 8 partial responses were received.
 - A site visit by two GGI evaluators to the following places (listed in order from north to south)
 - Churchill, MB
 - Churchill is a community of 870 people³ located on Hudson's Bay, at a latitude of almost 59 degrees North. It is the end-point of the HBR railway, and is the location of the Port of Churchill. There is no road access in or out of the

³ Statistics Canada, Census 2021

community. According to the most recent Census, 61% of the population have an Indigenous identity.

- Thompson, MB
 - With 13,035 residents, 45% of whom have an Indigenous identity, Thompson is the most populous city in northern Manitoba. It is a hub for many northern communities, and freight is loaded onto the HBR in Thompson for shipment to more northern communities in Manitoba, especially to the Port of Churchill, from where some freight continues on by boat to Nunavut.
- Thicket Portage, MB
 - Thicket Portage is a Manitoba Northern Affairs Community (unincorporated community) with a population of 109. It is located 48 km south of Thompson and the rail is the principal means of transportation in and out of the community. The only other transportation options are winter ice roads for a few months of the year, or crossing a lake by boat if one has a car on the other side. There are no stores or gas stations in the community, and many residents travel by train to Thompson to purchase groceries or other supplies.⁴
- The Pas/Opaskweyak Cree Nation (OCN), MB
 - The Pas and OCN are adjacent to each other, located 520 kilometers northwest of Winnipeg close to the Manitoba/Saskatchewan border. The Pas has a population of 7,302, and 65% of its population identify as Indigenous. OCN's population is 2,895, 96% of whom report an Indigenous identity. The Hudson Bay Railway's starting point is in The Pas, stretching north to Thompson and then on to Churchill. The head office for AGG's rail operations is located in The Pas, and the rail is a significant employer for the town.
- Winnipeg, MB
 - The capital city of Manitoba, Winnipeg is the location of AGG's executive office, which is situated in the Union train station on Main Street.

The site visits included taking the HBR train from Thompson to Churchill, travel by “hi-rail” truck (a vehicle that can operate both on roads and on rail tracks) along the train tracks to Thicket Portage, visiting the Port of Churchill and AGG offices in The Pas and Winnipeg, and conducting interviews with stakeholders in the region.

- Four case studies of communities along the Bay Line; including Churchill, Thicket Portage, Thompson and The Pas/OCN.
 - Note that references to “interviewees” in the report includes people interviewed as part of the site visits and case studies.
- An economic trend analysis.

⁴ Census data on Indigenous identity for Thicket Portage is not available, due to the small sample size.

- A focus group consultation to validate findings.

LIMITATIONS

Limitations in Scope

The scope of this evaluation is limited to the 2018 Contribution Agreements for the acquisition, repair and operations of the HBR companies. It does not include agreements related to the railway concluded after this time.

This evaluation does not assess the potential of the railway or Port in terms of future economic development, such as its potential role in the development of shipping corridors.

In addition, it should be noted that the work for this evaluation took place between August 2022 and October 2023, and represents information available at that time.

Data Limitations

Statistical data over time was sought to identify the impact of the closure of the rail line after flooding occurred in 2017, and then the change since the rail service has resumed. However, because of the small size of the population in northern Manitoba, the availability of data is limited. When there is disaggregation to smaller geographic areas, data can be suppressed for confidentiality (because the sample size is too small), or data is less accurate because it is extrapolated from a small number of responses. Most of Northern Manitoba is classified as one “economic region” by Statistics Canada, and many economic indicators are only available for the North combined with a second “economic region” (namely, Parklands). The Government of Manitoba also uses the Statistics Canada economic regions when presenting most of its data.

A number of avenues were explored to obtain more disaggregated data from Statistics Canada and through PrairiesCan’s Policy, Planning and Analytics Team. It was concluded that it was not possible to accurately further disaggregate the available data which covers broader areas of the province, to show economic trends in the region over the time period in question.

The Census of Canada offers a great deal of disaggregated data, including for the communities in Manitoba’s North. However, the Census is only collected every five years (with the most recent Censuses being 2016 and 2021). Therefore, Census data cannot show the changes over time from the flooding of the rail line in 2017 to the resumption of the rail service in 2018.

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APPENDIX B: EVALUATION QUESTIONS AND FRAMEWORK

This framework was informed by the Federal Government’s Standard on Evaluation, which indicates that evaluations “[a]re planned with consideration of using **relevance, effectiveness and efficiency** as primary evaluation issues, where relevant to the goals of the evaluation.” As indicated in the workplan, ‘**sustainability**’ has been added as one of the evaluation issues. In addition, the framework incorporates **four themes** of interest to PrairiesCan in relation to evaluations:

- Predictiveness and Continuous Improvement
- Inclusiveness
- Place-Based focus
- Post-Project Results

Evaluation Questions	Indicators	Methods				
		Doc & Lit review	Inter-views	Survey	Econ. trend analysis	Case Studies
1. Place-Based Relevance						
Q1.1 Was this initiative relevant and appropriately tailored to the goals and needs (economic, political, social) of the affected communities in Manitoba and Kivalliq? <ul style="list-style-type: none"> • How has it been relevant? 	<ul style="list-style-type: none"> • Roles, responsibilities and extent of involvement of all players in developing the initiative (e.g., defining outcomes and objectives, active participation in governance, control over design and ongoing implementation). 	X	X			X
	<ul style="list-style-type: none"> • Ways in which communities have been provided opportunities to apply their skills and knowledge to the initiative? 	X	X	X		X

APPENDIX B – EVALUATION FRAMEWORK

Evaluation Questions	Indicators	Methods				
		Doc & Lit review	Inter-views	Survey	Econ. trend analysis	Case Studies
	<ul style="list-style-type: none"> Nature of the goals and needs (economic, political, social) of the affected communities 	X	X	X	X	X
	<ul style="list-style-type: none"> Opinions as to the extent to which the initiative has been relevant and appropriately tailored to the needs of the communities, and how 		X	X		X
<p>Q1.2 Through the initiative, how did PrairiesCan fill one or more of its roles as an ‘investor, convenor, delivery agent or intelligence gatherer’ (as targeted in 2018) or as an ‘investor, convenor, advisor or pathfinder’ (as targeted today)?</p> <ul style="list-style-type: none"> Investor: creating jobs and growth through strategic investments and targeted initiatives Convenor: connecting economic actors to support collaboration and growth Advisor: informing economic decision-making and advocate for Prairie interests Pathfinder: helping people navigate federal economic programs and services ? 	<ul style="list-style-type: none"> Viewpoints on the role played by PrairiesCan 		X	X		X
2. Effectiveness						

APPENDIX B – EVALUATION FRAMEWORK

Evaluation Questions	Indicators	Methods				
		Doc & Lit review	Inter-views	Survey	Econ. trend analysis	Case Studies
Q2.1 Has the initiative been effective in undertaking its activities and outputs (including acquisition, repairs, operations and governance)?	<ul style="list-style-type: none"> Activities undertaken Degree of completion of activities Facilitators and barriers to implementation of activities 	X	X			X
Q2.2 Has the initiative been effective in achieving its anticipated immediate outcomes? <ul style="list-style-type: none"> What would have happened if the initiative had not been undertaken? 	<ul style="list-style-type: none"> Effectiveness of the establishment of the multi-community partnership 	X	X			X
	<ul style="list-style-type: none"> Reach and types of the benefits resulting from improvements to infrastructure (how many communities, change experienced due to improvements/restoration) 	X	X	X		X
	<ul style="list-style-type: none"> Reductions in the cost of food, fuel and other goods, compared to what would be in the absence of rail service 	X	X	X	X	X
	<ul style="list-style-type: none"> Reductions in the existence of other support programs that had been intended to relieve hardships caused by the lack of rail service 	X	X			X
	<ul style="list-style-type: none"> Potential differences in the economic trends and other results if the initiative had not occurred 		X	X	X	X
Q2.3 Has the initiative been effective in contributing to its anticipated medium-term outcomes?	<ul style="list-style-type: none"> The nature of the community ownership model of the infrastructure and whether it has made a difference to the communities involved 	X	X	X		X

APPENDIX B – EVALUATION FRAMEWORK

Evaluation Questions	Indicators	Methods				
		Doc & Lit review	Inter-views	Survey	Econ. trend analysis	Case Studies
	<ul style="list-style-type: none"> Whether the commercial viability of the Bay Line and Port Terminal Assets has been enhanced 		X	X	X	X
	<ul style="list-style-type: none"> Whether economic growth potential has increased for businesses, individuals and communities 		X	X	X	X
Q2.4 Has the initiative contributed to the anticipated long-term outcomes?	<ul style="list-style-type: none"> Opinions as to whether the initiative has contributed to improved quality of life and social well-being 			X		X
	<ul style="list-style-type: none"> Opinions as to whether the initiative has contributed to communities having more of the infrastructure and increased decision-making autonomy to better promote long-term economic growth 		X	X		X
	<ul style="list-style-type: none"> Opinions as to whether the initiative contributed to long-term strategic interests (economic, environmental, security) in Canada's North 		X	X		X
Q2.5 Inclusiveness: Who has benefited from this initiative? <ul style="list-style-type: none"> To what extent have northern communities, Indigenous people, and women benefited from the initiative, and how? 	<ul style="list-style-type: none"> Nature and distribution of economic benefits 		X	X	X	X
	<ul style="list-style-type: none"> Opinions and statistics as to the extent that members of the affected communities, Indigenous people and women have benefited from the initiative (such as jobs, social benefits), and how 		X	X	X	X

APPENDIX B – EVALUATION FRAMEWORK

Evaluation Questions	Indicators	Methods				
		Doc & Lit review	Inter-views	Survey	Econ. trend analysis	Case Studies
<ul style="list-style-type: none"> Are there any lessons learned regarding ways that the benefits did or could become more equitable and inclusive? Have there been barriers to inclusion presented by current program design and delivery? 	<ul style="list-style-type: none"> Opinions regarding ways that the benefits did or could become more equitable and inclusive 		X	X		X
	<ul style="list-style-type: none"> Identification of any barriers to inclusion Ways to improve inclusion practices 		X	X		X
3. Efficiency, Design and Delivery						
3.1 Has the Monitoring Committee been an effective tool for oversight of the initiative?	<ul style="list-style-type: none"> Opinions regarding the effectiveness of the Monitoring Committee 	X	X			
3.2 Have the reporting requirements been useful for monitoring performance of the initiative? <ul style="list-style-type: none"> Are there ways to improve performance measurement and monitoring, including with respect to inclusive practices? 	<ul style="list-style-type: none"> Nature of the reporting completed The extent to which inclusiveness is captured in monitoring and reporting (e.g., data disaggregated by gender or Indigenous identity) Opinions regarding the reporting requirements and potential improvements 	X	X			
3.3 What can be learned from the community-ownership model that was established?	<ul style="list-style-type: none"> Opinions regarding the effectiveness of the community-ownership model 		X	X		X
3.4 Predictiveness and continuous improvement: What lessons from this initiative can be identified to help PrairiesCan's ongoing project assessments,	<ul style="list-style-type: none"> Opinions regarding lessons learned and how they may contribute to continuous improvement (e.g., what has gone well with acquisition, repairs, operations and 	X	X	X		X

APPENDIX B – EVALUATION FRAMEWORK

Evaluation Questions	Indicators	Methods				
		Doc & Lit review	Inter-views	Survey	Econ. trend analysis	Case Studies
selection and program design, and contribute to continuous improvement?	governance and what might be done differently.)					
4. Sustainability						
4.1 What is needed to sustain the ownership model and governance of the initiative going forward? Are there any gaps that need to be filled? <ul style="list-style-type: none"> Are there any recommendations to increase sustainability? 	<ul style="list-style-type: none"> The current state of the rail line and port operations Plans for the future Identification of potential risk factors 	X	X			X
	<ul style="list-style-type: none"> Opinions/ recommendations regarding needs and gaps to support sustainability of the operations 		X			X
4.2 Post-Project Results: What are some areas where the findings of the evaluation could be informative, going forward?	<ul style="list-style-type: none"> Opinions/recommendations regarding areas where there may be applicable future uses of the evaluation findings 		X			
		Focus group to validate findings				