

## **ACCELERATE THE TWINNING OF HIGHWAY 185**

### **Issue**

There is a two-lane 41 kilometre stretch of Highway 85 (known as Highway 185 - part of the Trans Canada Highway) in Quebec between Saint-Antonin to Saint-Louis-du-Ha! Ha!, which effectively creates a bottleneck between New Brunswick and Quebec, and therefore, limits the ability to ship goods efficiently throughout Canada.

While there are currently plans for the twinning of Highway 185, the current timeline of completion by 2025 is too far into the future and the short-term potential economic impact too great to ignore. Not only is the loss of GDP significant, the ability of firms to compete and grow is diminished, the productivity of our ports is undermined and the investments made in twinning highways throughout Atlantic Canada, Ontario and Quebec has in effect been rendered a stranded infrastructure asset as a result.

### **Background**

As the only remaining single lane section of highway between Halifax and Toronto, Highway 185 increases costs throughout the Eastern and Central Canadian economy for both carriers and consumers.

Currently, long combination vehicles (LCV's) are forced to stop, decouple and recouple after the 41km stretch in question, making goods from Eastern Canada more expensive to export to other parts of Canada. Some carriers use a much lower percentage of LCV's as a result.

In addition to economic and environmental issues, the use of LCV's would allow companies to address the labour issues that also impact industry in the form of significant driver shortages - despite many initiatives by industry and government to grow this part of the labour force. It is important to note that this section of highway is also a concern from a safety perspective. As with any single-lane highway that has a high level of traffic with passenger and tractor-trailer combined with no alternative routes - there is significant risk to public and driver safety.

Twinning the section of highway between Saint-Antonin and St. Louis-du-Ha-Ha would effectively lower transportation costs resulting in an expansion of trade from and throughout Eastern and Central Canada. Funding of the project totals \$942.9M of which \$389.7M is federal via the New Canada Building Fund.

Expanding the existing highway (route 185) to four lanes in this section will make Highway 85 safer and more efficient for those using it and facilitate the transport of goods in Eastern Canada.

The first two phases of the redevelopment project included converting a two-lane highway into a four-lane divided highway in an effort to improve safety. Phase 1 of the project, which was rolled out between 2002 and 2011, involved a number of specific sections of the road for a total of 21 kilometres. Phase 2, a distance of roughly 33 kilometres between Témiscouata-sur-le-Lac (Cabano section) and the New Brunswick border, is also complete. The highway was rolled out gradually beginning in 2013, and continuing in 2014. The last 7.5 kilometres of this phase in Témiscouata-sur-le-Lac, in the Notre-Dame-du-Lac section, will be rolled out in fall 2015. At the end of Phase 3, currently scheduled for 2025, the Highway 85 construction project will be complete.

Kent Fellows, a Calgary based economist who has experience modeling the GDP impacts of transportation infrastructure as a lead researcher with the Canadian Northern Corridor research program assessed the impact of this stretch of highway on the regional economy.

Dr Fellows concluded that if twinning Highway 185 reduced the delivered cost of a traded good by 1.5% to 2.5%, then there would be annual GDP gains of \$1 billion to \$1.78 billion for Canada; \$350 million to \$600 million for each of New Brunswick and Nova Scotia and \$100 million to \$160 million for Quebec. Ontario and Quebec would have a roughly equal share of another \$100 million in annual GDP gain.

As an example, if highway 185 is not twinned by 2028, then over the next decade, the cost to the New Brunswick economy alone from the single lane Highway 185 is a net present value (lump sum today) of nearly \$3 billion in lost GDP.

In summary, the current two-lane highway:

- 1.) cost increases of 20 - 30% [decreased competitiveness];
- 2.) increased carbon emissions;
- 3.) safety issues; and
- 4.) driver shortages.

The Canadian Trucking Association has identified this project as their top priority for Quebec and Atlantic Canada, writing:

“These stretches of roadway are in urgent need of upgrading. As Highway 85 is often cited as one of the most dangerous highways in Canada, upgrading this roadway to highway standards should markedly improve safety. From a trade perspective, this would also allow the commercial trucking industry to run Long combination vehicles (LCVs) from Halifax to Toronto, making the delivery of goods much more efficient. LCVs have also been shown to be a highly efficient means of transporting goods to contributing to a reduction in emissions.”<sup>1</sup>

Instead of being targeted at firms or industries, this project improves the competitiveness of all firms and industries in the region. Perhaps most importantly, Twinning Highway 185 will finally generate the full return to the investments of the past 20 years in four lane highways in the region. The “last miles” of highway are the most critical for unlocking the full export potential of the region.

### **Recommendations**

That the federal government work with the Province of Quebec and to the extent necessary, the Atlantic provinces to accelerate the timeline for twinning Highway 185 from Saint-Antonin to Saint-Louis-du-Ha! Ha!

### **SUBMITTED BY THE FREDERICTON CHAMBER OF COMMERCE**

Co-sponsored by - Atlantic Chamber of Commerce, Greater Moncton Chamber of Commerce, and the Saint John Region Chamber of Commerce

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<sup>1</sup> [http://cantruck.ca/wp-content/uploads/2017/09/TTCI-Submission-2017\\_public.pdf](http://cantruck.ca/wp-content/uploads/2017/09/TTCI-Submission-2017_public.pdf)