



Northern Ontario Transportation Challenges & Solutions

Executive Summary

Northern Ontario covers a vast geographic area but has a low population density, making efficient transportation networks essential for economic development and community connectivity.



Tourism is a key sector in the region, supporting local businesses and attracting visitors from across Canada and beyond. However, air travel has faced ongoing challenges, including reduced flight availability, high operational costs, and aging infrastructure, which limit accessibility for both residents and tourists. Road transportation also presents obstacles, such as harsh weather conditions, safety concerns, limited passing opportunities, and infrastructure vulnerabilities that disrupt mobility and trade.

Addressing these issues requires coordinated efforts from federal and provincial governments, as well as local stakeholders. Solutions include increased financial support for northern airports, improved road infrastructure through highway expansions and upgrades, and the integration of visitor services into transportation planning. Additionally, expanding cellular coverage and EV charging stations will enhance accessibility and modernize travel options. Investing in these improvements will strengthen economic opportunities, improve safety, and ensure better connectivity for Northern Ontario's communities and industries.



Transportation Spending

In 2024, total tourism spending in Ontario reached **\$29.1 billion**, with transportation playing a vital role, accounting for approximately **17% of this total**, or about **\$4.95 billion**. This significant allocation underscores the importance of mobility in enabling tourists to explore destinations effectively. Notably, the 6% increase over 2023 combined with a 4.5% 5-year Compound Annual Growth Rate (CAGR) indicates strong recovery and possibly improvements in transportation infrastructure or increased mobility. The growth in this category suggests that tourists are travelling more within Ontario, benefiting from better connectivity and more accessible travel options.

In Northern Ontario, tourism is a crucial sector, attracting approximately **8 million visitors** annually and generating around **\$1.5 billion in tourism receipts**. The region's visitor base is primarily domestic, with a significant portion coming from the U.S. market.

Five key transportation hot spots were identified:

- 01 Greater Sudbury
- 02 North Bay
- 03 Thunder Bay
- 04 Sault Ste. Marie
- 05 Timmins

These cities are located at key intersections and provide essential connections within Northern Ontario and neighbouring regions.



Northern Ontario attracts **8 million** visitors annually



Those visitors generate **\$1.5 billion** in Tourism receipts



Rail Transportation

Effective transportation in Northern Ontario originated with the construction of the Canadian Pacific, Canadian National, Algoma Central and Ontario Northland railways. Historic trains such as the Canadian, the Polar Bear Express, the Agawa Canyon Tour Train, and the Sudbury-WhiteRiver Budd Car, continue to provide vital passenger rail service in the region and demonstrate the potential for sustainable, growth-oriented tourism. The return of the Northlander in 2026 will provide another building block for rail tourism growth and future success. With support from the provincial and federal governments and some flexibility from the mainline railways, Northern Ontario could be home to two or three additional rail tourism experiences, designed to attract high-yield international and domestic visitors.

Sources: Destination Canada Data Collective Lodging Aligned Spend Reporting 2024 YTD Ontario

Sault Ste. Marie Airport Development Corporation: News - Air travel recovery skips northern Ontario as regional airports face service cuts and rising costs - August 14 2024

CBCnews: Air travel recovery skips northern Ontario as regional airports face service cuts and rising costs | CBC News

Northern Policy Institute

Air Transportation

KEY STATISTICS

Ontario Ministry of Transportation (MTO) through its Remote Northern Transportation Office (RNTTO), owns and operates **29 remote airports** in Northern Ontario to provide year-round air access. In addition to these provincial airports, many other airports in northern Ontario are community-owned and operated, serving larger municipalities and regional centres. Scheduled flights and passenger traffic have significantly declined across Northern Ontario airports from 2019 to 2023. Despite their importance, air travel accounts for **3% of all visitors arriving by air**.

- **Sudbury** airport flights decreased from **4,800** in 2019 to **2,380** in 2023, a **reduction of over 50%**.
- **North Bay** saw scheduled flights drop from approximately **1,900** in 2019 to **1,000** in 2023, a **difference of 47%**.
- **Timmins** experienced a decrease from over **4,000** flights in 2019 to **2,100** in 2023.
- **Greater Sudbury** Airport experienced a decrease from **254,722** passengers in 2019 to **130,000** passengers in 2023.
- + **Thunder Bay** airport is on pace for **720,000** passengers in 2024 and slightly ahead from previous year. The airports pre-pandemic peak was **860,000** passengers in 2018.
- **Sault Ste. Marie's** scheduled flights declined from almost **4,300** in 2019 to **2,669** in 2023.

During the COVID-19 pandemic, the Ontario Ministry of Transportation allocated an additional \$4 million in funding to ensure remote airports could continue operating.

CHALLENGES

- **Long distances between airports** – an average of 79 km between airports in Ontario vs 44km in Southern Ontario.
- **High operating costs** result in larger passenger fees, increasing ticket costs and reducing competitiveness for airports.
- **Harsh winter weather conditions** cause flight delays and cancellations
- **Limited passenger volumes and high operating costs** make many routes financially unsustainable (Dryden, Kenora, and Fort Frances averaged only two passengers per flight in 2024).
- **Aging airport infrastructure** in many remote communities
- **Lack of state-of-the-art instrumental landing systems (ILS)** at some airports limits all-weather access
- **Discontinuation of scheduled air service** in some communities (January 2024, Bearskin Airlines announced the cessation of flights to Dryden, Fort Frances, and Kenora as of May 11, 2024).
- **Reluctance of Canadians to fly into the U.S.** due to tariffs and exchange rates.

IMPACTS

- **Reduced accessibility to goods, services and economic opportunities** for remote communities.
- **Higher cost for food and other necessities** in fly-in communities.
- **Barriers to economic development**
- **Social isolation** for residents and remote areas
- **Challenges accessing healthcare** and other essential services
- **Significant decrease in flight frequencies** and passenger numbers across multiple airports

POTENTIAL SOLUTIONS

- ✓ The federal government could upload more of the operational costs for northern airports to allow local authorities to reduce passenger fees and increase the viability of routes.
- ✓ The Ontario government could work with airports to identify important routes and develop creative approaches for shared risks to initiate and support routes.



Road Transportation Network in Northern Ontario

94%



94% of all visitor arrivals in Northern Ontario occur by road.

KEY STATISTICS

Northern Ontario's road transportation network is crucial for connecting communities and supporting economic development across the region. It includes **11,000 km** of provincial highways, with key corridors as Highway 11, Highways 69/400, and Highway 17 linking population centres and industries to the rest of the province. The network also encompasses municipal roads, and forest access roads, which are vital for accessing remote and natural resources.

Approximately **8,400** truck trips occur daily on the northern provincial highways. These trips move more than **87,000** tons of cargo valued at over **\$200 million daily**. The average distance travelled per truck is about 350 km daily. Additionally, the road network plays a pivotal role in supporting tourism, as a significant **94% of all visitor arrivals in Northern Ontario occur by road**, underscoring the importance of maintaining and enhancing this infrastructure.

CHALLENGES

- **Harsh Weather Conditions:** Frequent snowstorms and freezing temperatures cause road closures and maintenance challenges, disrupting traffic flow and goods movement.
- **Road Fatalities:** A high number of road fatalities have been reported along highways 11 and 17. In Northwestern Ontario in 2021, there were 13 deaths, representing a 117% increase from 2020. Multiple incidents between Nipigon and Wawa resulted in as many as 4 deaths in a single day. Additionally, there were 21 fatal collisions in remote areas of northern Ontario in 2024, with most of them involving trucks. These accidents not only lead to tragic losses but also often disrupt the network due to a lack of alternative routes.
- **Rugged Terrain:** The region's geography makes road construction and maintenance more difficult, leading to higher costs and congestion infrastructure.
- **Limited Passing Opportunities:** Many highways are two-laned roads with few safe passing opportunities, increasing the risk of accidents and congestion.
- **Shoulder Width and Road Safety:** The decision to minimize shoulder widths can lead to increased road wear and reduce drivers' ability to safely maneuver and avoid accidents, potentially compromising road safety.
- **Aging Infrastructure:** Some sections of the highway network require upgrading to ensure safety and efficiency.
- **Critical Infrastructure Vulnerability:** The Nipigon River Bridge is a single-point failure in Canada's transportation network, as it is the sole connection between Eastern and Western Canada. When it fails, there are no viable alternative routes, severely disrupting traffic flow and impacting national supply chains. In 2016, when the bridge collapsed, it disrupted the transportation of goods worth approximately \$100 million each day, with around 1,300 trucks operating daily under normal conditions.
- **Inadequate or non-existent visitor services facilities,** especially in comparison to competitive jurisdictions such as Quebec and Michigan.
- **Inadequate mobile phone and data network coverage.**
- **Insufficient charging points for EVs** According to the Northern Policy Institute, Northwestern Ontario has a limited number of charging stations, featuring 18 Level 3 charging stations and 16 Level 2 chargers. The Ontario government has announced plans to construct 190 new charging ports in Northern Ontario as part of a larger initiative to install over 1,300 new charging ports across the province. Industry response is focused on urban demand, which satiates local demand but creates uncertainty on the travel market due to lack of placement in rural locations.

IMPACTS

- **Economic Disruptions:** Delays and closures impact the transportation of goods, affecting supply chains and economic stability.
- **Critical Role in Inter-Provincial Trade and National Goods Movement:** Northern Ontario highways are essential for the efficient movement of goods across Canada. Delays and closures on these routes disrupt not only local supply chains but also impact national trade, affecting businesses. Increased investment in these roadways is crucial to enhance safety, reduce economic disruptions, and improve access to services and economic opportunities for remote communities, ultimately supporting Canada's broader economic stability and competitiveness.
- **Safety Concerns:** Limited passing opportunities and poor road conditions contribute to higher accident rates.
- **Access Barriers:** Inadequate roads hinder access to services and economic opportunities for remote communities.

POTENTIAL SOLUTIONS

- ✓ Accelerated development of expanded four-lane highways, new passing lanes, and innovative improvements such as the Highway 11 (2+1) Pilot Project.
- ✓ Continued renewal of existing infrastructure.
- ✓ Incorporation of visitor services facilities into highway capital planning so that implementation can occur at the same time as construction.
- ✓ Dedicated working groups to identify gaps and develop remediation plans for cellular coverage and EV charging.