

WESTERN GRAIN ELEVATOR ASSOCIATION

Ste. 1320-220 Portage Ave.
WINNIPEG, Manitoba
R3C 0A5

Telephone: (204) 942-6835
Fax: (204) 943-4328
E-Mail: wgea@mts.net

May 18, 2022

The Honourable Robert Black, Senator
Chairman, Senate Standing Committee on Agriculture and Forestry
Senate of Canada
Ottawa, ON
K1A 0A4

Dear Senator Black and Committee members,

Re: Bill S-6 / Extended Interswitching

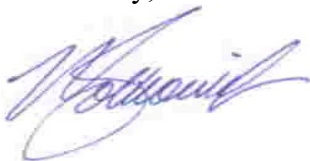
The Western Grain Elevator Association (WGEA) has watched with interest the proceedings of the Senate Standing Committee on Agriculture and Forestry with respect to Bill S-6. The WGEA is an association of the major grain handling and exporting companies operating in Canada, which handle a combined approximate total of 95% of Canada's bulk grain exports. Our members are listed at the bottom of our letterhead.

We wish to specifically comment on a proposed amendment raised by the Canadian National Millers' Association (CNMA) with respect to re-instate extended interswitching. Specifically, the CNMA is recommending amendment of Sections 127 and 128 of the Canada Transportation Act to enable applications to the Canadian Transportation Agency for extended interswitching of approximately plus or minus 150 km. The WGEA supports this recommendation.

When extended interswitching was in place between 2014 and 2017, it was one of the few tools available to shippers that motivated the class 1 carriers to behave as though they operated in a competitive environment. Those shippers within 160 km of an interchange received better service, either from the competing carrier, or from the originating carrier due to the threat of loss of business. The fact that this provision was allowed to sunset was a significant loss for the grain sector. This includes Canada-based grains and oilseeds processors, elevators, farmers and all participants in the supply chain who pay for rail service and move approximately 70 million tonnes of production to North American and offshore markets annually.

We have enclosed an explainer on interswitching that you may find useful in your deliberations on this matter. Thank you in advance for considering our request.

Yours truly,



Wade Sobkowich
Executive Director