March 2, 2018

The Honourable David Tkachuk
Chair, Transport and Communications Committee
The Senate of Canada
Ottawa, ON   K1A 0A4

RE: Concerns regarding proposed Bill C-49

Dear Senator Tkachuk:

ANAC is the national trade association of the livestock and poultry feed industry in Canada with 160 members, including feed and ingredient manufacturers and distributors. For almost 90 years, ANAC has worked with its members and partners from other industry segments to ensure the Canadian agriculture and agri-food sector reaches its full potential. Taken together, ANAC’s membership represents 90 percent of commercial feed manufactured in Canada. The feed sector is a vital component of the agri-food chain and intersects with all sectors from grain growers to suppliers of nutrient supplements to producers of meat, eggs, and milk. In 2016, animal feed and animal feed ingredients generated more than C$3.5 billion dollars in cross-border trade between Canada and the United States and more than C$230 million between Canada and the European Union.

Transportation is a key factor in the success of the agriculture and agri-food sector in Canada and so ANAC has been following the progress of Bill C-49 closely. While it is understood quick passage is ideal, we have outlined some remaining concerns below.

Power to Investigate

Giving the Canadian Transportation Agency (CTA) power to investigate is of key interest to ANAC members. Many of ANAC’s members are smaller shippers who fear negative repercussions from initiating an action against the railroads and as such, support the request for the CTA to have the power to conduct investigations on its own initiative. ANAC recommends that the Senate amend the Bill accordingly.

The CTA already possesses this power when dealing with commercial aviation in Canada. Its handling of the Air Transat delay in Ottawa illustrated the value of providing the agency with the power to investigate, as it was able to deal with the issues and enforce the relevant standards with maximum efficiency. CTA’s function means it is the only organization who is familiar with ongoing and developing issues in the transportation field. Allowing it to act on this knowledge by giving them the power to investigate is a logical addition to its mandate. The CTA
would still be required to adhere to current Canadian laws, enforce already existing standards, and collaborate with the Minister’s office on any necessary changes.

Other Considerations
ANAC also supports the following provisions:

• Reinstating extended interswitching on a reliable basis which includes:
  o being available automatically to eliminate possibilities of delays from negotiating with railways and/or obtaining decisions from the CTA;
  o eliminating exclusions for geographic areas or certain commodities;
  o ensuring shippers are able to access the most direct route with sufficient capacity for their shipment;
  o instating interswitching rates which are predictable and transparent as well as comparable to genuinely competitive markets. This could be achieved by using a formula which adds a certain percentage to the cost of the shipment.

• Guaranteeing adequate “financial information” regarding costing and revenue is made available to shippers for use in Final Offer Arbitration (FOA)

Concluding Comments
While ANAC supports a quick passage of Bill C-49, it is important that the bill be carefully scrutinized by TRCM and that the Senate consider shipper recommendations that, if accepted, will enable the Bill to better benefit the agriculture and agri-food sector as well as multiple other industries across Canada.

Sincerely,

Melissa Dumont, agr.
Executive Director
Animal Nutrition Association of Canada

cc: Minister of Transport
    Senate Transportation and Communications Committee