To The Senate Committee on Transport and Communication

The Canadian Federation of Agriculture is very aware of, and concerned with, the current problems afflicting rail grain transportation. As you know every year around 45 million tonnes of grain is captive to Canada’s railway duopoly with no options when the rail system fails. It’s a mere 4 years ago when the failure of our rail transportation system cost our agricultural economy billions of dollars risking the loss of international markets. Today we are close to facing exactly the same situation.

It is clear to us that the railways will not get it right without significant legislative and regulatory guidance. While Bill C-49 is a step in the right direction and we recently signed on to a letter asking for expeditious passage of the Bill, it cannot happen without first including some important amendments.

Numerous industry participants, who’s success is contingent on a well-managed, competitive rail transportation system, agree that Bill C-49 in its current form could not, and would not have, prevented the current crisis from happening. They further agree that the only way to prevent system failure is for the CTA to have investigative authority to gather relevant data, and for the Agency to have the authority to use that information to proactively mandate solutions before problems happen.

To that end the CFA recommends the following:

- Bill C-49 be amended to give the CTA investigative authority and the authority to act on those findings by mandating solutions i.e. investigative authority to be able to request information and data relevant and robust enough to provide a clear picture of transportation logistics, and own motion authority to proactively mandate solutions.

The Canada Transportation Act Review led by the Honourable David Emerson recommended “amending the Canada Transportation Act to confer upon the Agency investigative powers and the authority to act on the Agency’s own motion and on an ex parte basis, as well as to address issues on a systemic basis and to issue general orders”.

The Agency itself requested own motion powers in its most recent annual report, highlighting it as a major weakness in its ability to discharge its regulatory responsibilities. Shippers from across all sectors broadly support this request.

This amendment will ensure the regulator has the authority to proactively monitor the system, identify and investigate problems before they become a crisis and take the necessary action.
Currently the Agency’s authority to act is conditional on the receipt of a complaint. This makes no sense since we are trying to be proactive in building a competitive grain transportation system and trying to pre-empt problems with solutions. This is the only way to avoid the significant economic hurt that happens when we wait for the manifestation of problems before we can act.

There is now broad industry consensus that Bill C-49 must be amended to:

1) Give the CTA investigative and own motion authority.
2) Change long haul inter-switch to reflect the realities of dynamic, efficient, and competitive transportation logistics
3) Include chick-peas and soybeans in the MRE

Broad industry agreement on these amendments and the governments’ own declaration of trying to build a more competitive transportation network and improved duopoly rail service should be impetus enough for the Minister to embrace suggested changes. If these amendments are dealt with expeditiously there should be no reason to delay passage of Bill C-49 beyond Parliament’s current session.

Sincerely,

Ron Bonnett, President

cc. Hon. M. Garneau
    Hon. L. MacAulay
    Hon. R. Goodale