March 6, 2018

Senate Standing Committee on Transport and Communications
c/o Victor Senna, Committee Clerk
Senate of Canada
Room 1051, Chambers Building
40 Elgin Street
Ottawa, ON K1A 0A4

Dear Senate Standing Committee on Transport and Communications:

Re: Bill C-49

The Saskatchewan Association of Rural Municipalities (SARM) had previously written the committee on February 20, 2018 expressing a sense of urgency regarding Bill C-49. SARM writes again to further expand on the importance of Bill C-49.

SARM believes that this important legislation will have positive impacts to the Canadian transportation system. Agriculture producers must rely on this transportation system to get their products to market. When the system fails, as it did in 2013-14, then producers lose out and face hardships (financial loss) and customers don’t receive their products.

Saskatchewan represents nearly 40% of Canada’s farmable land and this has allowed Saskatchewan producers to be world leaders in exports of lentils, dried peas, mustard, flaxseed and canola. In 2016, Saskatchewan exported $14.4 billion worth of agriculture and agri-food products. For a landlocked province like Saskatchewan, getting these products to market requires an efficient and effective world class rail transportation system. As previously mentioned, when that system performs at subpar levels then producers and customers lose out.

SARM supports Bill C-49 as it provides legislation for increased data reporting. More data means producers and others in the supply chain can make better decisions that are more based on information. SARM believes that the federal railways should be required to produce plans that detail how they will deal with demands resulting from the upcoming crop year. This should include contingency plans for larger than average yields and plans to deal with the impacts of the wold winter months. It is SARM’s belief
that the expansion of the Governor in Council’s powers to make regulations requiring major railway companies provide information regarding rates, service and performance to the Minister of Transport is a positive change. Reciprocal penalties have been an advocacy point for SARM and SARM was pleased to see these included in Bill C-49. Further clarification of how these will function will be important and SARM suggests that the Canadian Transportation Agency provide guidance materials for producers. Reciprocal penalties represent an important option for producers as they require an avenue to hold those in the supply chain accountable for when they fail to provide levels of service.

The provision for informal dispute resolutions services is also welcomed by SARM. Providing cost efficient, effective and timely dispute resolution services is important for producers. Once harvest is completed, producers must get their products to market in a timely manner to fulfill their contract obligations. Therefore, disputes should be resolved as quickly as possible so producers don’t face additional penalties or delays.

The long haul inter-switching appears to also be a positive enhancement for producers. SARM supported the extended inter-switching distances implemented by the previous federal government and hoped that the Fair Rail for Grain Farmers Act would be made permanent. It remains to be seen how this new provision will function and what further enhancements may be required.

SARM has direction from its membership to oppose the elimination of the Maximum Revenue Entitlement (MRE) and that a review of the MRE would be appropriate to ensure that it is functioning properly. It is important that the MRE continue to protect producers from high freight rates.

Overall, SARM supports Bill C-49 and is awaiting its implementation to see the impacts to the agriculture sector in relation to the transportation system. SARM urges the Senate Standing Committee on Transport and Communications to expeditiously review the legislation.

Thank you for your consideration of SARM’s views.

Sincerely,

Ray Orb
President