



Submission on the *Canada Transportation Act Review*

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The Alberta Association of Municipal
Districts and Counties

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The Alberta Association of Municipal Districts and Counties (AAMDC) is a member-directed organization that provides advocacy and business services to Alberta's sixty-nine rural municipalities. The AAMDC appreciates the opportunity to provide input to Transport Canada on the review of the *Canada Transportation Act* (CTA).

As the CTA is a long, complex piece of legislation, and the review process is supposed to move beyond a strict focus on the CTA to examine broader issues related to Canada's transportation network, the AAMDC has used the CTA Review Discussion Paper to guide its input. More specifically, this submission will reference the sub-sections of the discussion paper that are most relevant to Alberta's rural municipalities. While there is no question that the review panel's decision to envision Canada's transportation system in a broad global context is necessary, Alberta's rural municipalities are mainly concerned with local and regional impacts of transportation decisions. Before discussing specific issues, the AAMDC would like to remind the panel that global and national policy decisions to increase Canada's competitiveness and levels of trade will have significant impacts on local infrastructure and administrative capacity, particularly in rural Alberta, where many of Canada's most valuable natural resources are located. As such, it is vital that the CTA consider both national and local priorities and challenges.

The remainder of this submission will focus on specific areas of interest as identified in the discussion paper.

Rail Capacity and Services

Given that the grain by rail backlog of 2013 is listed as the first issue in the terms of reference for the CTA review, there is no question that improving the capacity and efficiency of Canada's freight rail network is central to the country's economic growth.

The AAMDC and Alberta's rural municipalities consider this a significant issue as well. Agriculture is extremely important to rural Alberta's economy, and the agriculture industry is reliant on Canada's two major railways to move their products to market. While a definitive conclusion as to the cause of the 2013 backlog was never reached (poor weather, a record-breaking bumper crop, and an increase in the movement of oil by rail all likely contributed), a repeat in the coming years could spell economic disaster for Alberta's farmers. The AAMDC was pleased by the Government of Canada's decisiveness in reaching a short-term solution to the backlog through the *Fair Rail for Grain Farmers Act*. However, a long-term strategy that better addresses and mitigates the reasons behind the backlog is needed.

A system in which farmers have assurance that their product will reach market in a reasonable timeframe is essential. This would likely best be achieved by increasing rail capacity, but the logistical challenges of building additional rail from Canada's prairies to tidewater ports may make this extremely difficult and expensive.

While the addition of s. 116.1-116.3 of the current CTA (*Traffic of Grain*) may be effective in legislating railways to accommodate unusually large harvests in a given year, the ad hoc nature of this regulation puts significant pressure on railways and may lead to other industries that rely on rail transport (petroleum products, forestry) to be underserved in the event that future minimum grain transport quotas are imposed. As such, while the AAMDC appreciates the protection that these regulations provide agriculture producers, they do not address the root cause of the 2013 backlog, or increase the capacity or efficiency of the rail system. As the discussion paper points out, focusing only on the railway network overlooks other points in the supply chains, such as tidewater ports, that may also

contribute to backlogs of commodity movement. It is also encouraging the Government of Canada sees these backlogs as not only an issue for Canada's agriculture industry, but also a factor in Canada's international reputation as a reliable supplier of natural resources. The AAMDC looks forward to working with the Government of Canada in developing a long-term solution to address rail capacity in the future.

Rail Safety

While the discussion paper only briefly touches on rail safety, the AAMDC realizes that rail safety is directly addressed in the *Rail Safety Act*. However, any measures in the CTA that increase rail capacity and encourage increased rail transport (including that of hazardous materials) must be accompanied by the continued strengthening of rail safety regulations. The AAMDC has been pleased with Transport Canada's response to the 2013 derailment and explosion in Lac Megantic, Quebec. In particular, a greater acknowledgement of the municipal role in rail safety and in responding to rail disasters is present in recent Transport Canada initiatives. The growth of the rail industry must continue to be accompanied by vigilance in making rail safe, and in involving municipalities in decisions relating to routing, emergency planning, and information sharing.

An example of recent collaborative action taken to address a rail-related safety issue is the release of the new federal *Grade Crossing Regulations*. One aspect of these regulations addresses the issue of trains blocking grade crossings repeatedly or for extended periods of time. Through consultation with municipal stakeholders, the final version of the regulations presents local governments with a much greater ability to collaborate with railways to address repeated obstructions, which present both a safety issue and negatively impact the local economy by causing unnecessary traffic delays. The AAMDC hopes that similar collaboration between the Government of Canada and municipalities will continue to strengthen Canada's rail system.

Strategic Infrastructure

The discussion paper identifies perhaps the most important national and local transportation priority, as well as the greatest challenge: how to address a rapidly increasing transportation infrastructure deficit in a fair and strategic manner.

Despite being home to only 17% of Alberta's population, AAMDC members are responsible for 77% of roads and 62% of bridges in the province. In addition to providing vital local links, these roads and bridges provide access to the natural resources that power Canada's economy. As such, rural Alberta's transportation infrastructure has tremendous national strategic value, but despite this, recent reports have estimated that Alberta is facing a road infrastructure gap of between \$2 billion and \$16 billion. The deficit is growing rapidly, particularly as increased industrial activity in rural Alberta further strains roads and bridges that were not designed to accommodate frequent truck and machinery traffic.

The Alberta example is likely similar to that faced by municipalities across Canada, and points to the need for all levels of government to collaborate on developing a long-term funding strategy to maintain and expand Canada's transportation infrastructure inventory. Existing project-based grant programs, such as the New Building Canada Plan and several delivered by the Government of Alberta, require municipalities to compete against one another for limited funding, and make difficult decisions to prioritize one type of infrastructure at the expense of others. A reduction in transportation-specific grant funding from other levels of government has forced many rural municipalities to make difficult decisions on whether to use limited multi-purpose funding (such as the Building Canada Fund's Small Community Fund component and the Government of Alberta's Municipal Sustainability

Initiative) to maintain vast rural road networks, or to support other services that rural residents deserve, such as reliable drinking and wastewater systems. The critical role that transportation infrastructure plays in both local and national economic development means that dedicated funding mechanisms to maintain and expand rural transportation systems should be prioritized.

Whether it is through the CTA review process or another forum, the Government of Canada needs to collaborate with provincial and municipal governments to develop a long-term strategy to improve rural road networks in Canada. Stable funding, particularly in those areas where rural roads are used by industry to access resources, is vital. As the discussion paper prioritizes the development of innovations in pricing, financing, and utilizing existing infrastructure, perhaps industry should play a larger role in developing innovative means to support the road networks that they rely on.

The majority of the discussion paper focuses on creating national and global transportation networks that facilitate the movement of Canadian goods to foreign markets as efficiently as possible. However, very few commodities can be accessed or reach their final international destination without travelling on local roads, so the effectiveness of strategic gateways and trade corridors will be compromised by obsolete and inefficient local and regional road networks. As such, all levels of government should assume a share of responsibility for local transportation infrastructure.

Regional, Remote and Northern Transportation

While the majority of this section of the discussion paper focuses on transportation priorities in the territories, northern Alberta faces many of the same challenges. However, northern Alberta's circumstances are unique for a number of reasons. The majority of Alberta's rapid industrial development is occurring in the northern part of the province. Unlike other Canadian provinces and territories, these northern areas are entirely organized into municipalities (with the exception of National Parks). As a result, municipal governments in Alberta play a major role in the development of northern transportation networks and in opening access to natural resources. In Alberta, more than any other province or territory, municipalities must be involved in planning of northern transportation networks.

The discussion paper acknowledges that "overlapping jurisdiction between federal, provincial and territorial governments and aboriginal groups add additional layers of political complexity" to northern development. The AAMDC believes that municipal government should be included in this group of northern government partners, as in Alberta, municipalities most feel the effects of rapid industrial development in isolated areas, and the associated challenges in providing transportation infrastructure, housing, and other adequate services. A successful northern transportation system will include the participation of Alberta's northern municipalities as equal partners with federal, provincial/territorial, and aboriginal governments.

Additionally, while the discussion paper focuses on northern transportation, it should be noted that remote areas exist across Canada. All regions of Alberta include vast rural areas with unique transportation challenges. A remote transportation strategy should include a consideration on how rural areas in all parts of Canada can be better linked to major population centers and transportation routes.