



June 30, 2015

Canada Transportation Act Review Secretariat
350 Albert Street, Suite 330
Ottawa, ON K1A 0N5
secretariat@reviewcta-examenltc.gc.ca

Subject: CentrePort Canada Inc. Submission on the 2015 CTA Review

CentrePort Canada Inc. is the master planner and facilitator of development for Canada's largest tri-modal inland port and Foreign Trade Zone. Located in Winnipeg, Manitoba, this 20,000 acre live, work, play and learn development sits at the hub of Canada's key trade corridors connecting business to major gateways. The purpose behind this development is to offer trade-oriented business competitive and efficient access to multiple modes of transportation to help them manage their supply chains. The focus is on attracting investment in advanced manufacturing and assembly; warehousing and distribution; agribusiness, processing and packaging; and transportation-related logistics.

We are proud of the achievements of this community driven, transportation-based economic development initiative and already 39 new companies occupying over 200 acres have chosen CentrePort for their business location. Private investment is expected to accelerate with the construction of a new innovative 700 acre rail park, adjacent to CentrePort Canada Way, a \$212 million investment by the Governments of Canada and Manitoba, and access to a full range of services and utilities.

The Corporation's goal is to ensure that CentrePort, with regulated inter-switching access to three continental railways, as one of Canada's largest trucking hubs; and, home to a 24/7 international airport with the most dedicated air freighter movements in Canada, is recognized within North America and globally as an inland logistics hub offering business a competitive cost model for implementing global supply chain activities.

It is clear from working with potential tenants that access to competitive rail service offerings in all of our east-west and north-south trade lanes (including Mexico) is an extremely important consideration in their decision to site a plant or logistics enterprise.

Access to competitive and efficient rail service is a strategic requirement for Canadian businesses to compete in and extract maximum value from global commerce. Canada's successful Asia-Pacific Gateway and Corridor Initiative demonstrates the value of harmonizing our trade and transportation agenda within an enabling transportation strategy.

A key CentrePort Canada value proposition is the development of a 700 acre rail park, with superior highway access and without urban proximity issues. The rail park will support rail dependent businesses that on their own, would not interest a Class 1 Railway to provide service or infrastructure. The typical client for the CPC Rail Park will range from rail intensive manufacturing and agribusiness companies to Small Medium Enterprises (SMEs) that can participate in global trade if competitive rail service is available and reliable. The CentrePort Rail Park Operator will marshal and deliver rail cars to the Class 1 railways in Winnipeg, providing an economy of scale and rail service fluidity typically only experienced by major shippers and receivers connected to one railway. A co-benefit will be the reduction in rail movements throughout Winnipeg which currently cause serious and frequent congestion in the capital region. CentrePort's development of rail based industrial development and logistics park with common user rail infrastructure plus physical access by all three Class 1 railways is an innovative and forward looking solution to managing rail growth in the Winnipeg Capital Region.

Attempts by CentrePort to present the value proposition of the rail park to Class 1 railways has been difficult, as it is seen as unnecessarily increasing rail competition in Winnipeg. There is added push-back by the Canadian railways to avoid physical access by a U.S. based rail competitor for north-south trans-border traffic. Also of concern, is the de-marketing of CentrePort by railroads without physical access when potential tenants contact the railway to investigate inter-switching based service arrangements. This experience is not unique to potential CentrePort tenants, but is a current challenge for existing tenants requesting CentrePort's assistance in dealing with issues related to poor rail car service under the existing inter-switching regime.

One other area of concern to CentrePort is railway intermodal service through the Asia-Pacific Gateway. Local and potential clients of CentrePort have recently noted that railways have reduced scheduled intermodal service between Winnipeg and Vancouver, and have aggressively raised prices to the point that trucking is becoming the only realistic alternative in the short run. This is also impacting business expansion and/or relocation decisions for Winnipeg in the longer run. For example, a current CentrePort Canada client is running a demonstration project with containers of agricultural products from China. Due to cost considerations, these containers are being imported via Spokane with BNSF service to Minneapolis and trucked to a CentrePort custom bonded warehouse. The project is being accomplished at a price well under Canadian railway prices via the Vancouver or Prince Rupert Gateways.

With respect, and with concern for the issues noted above, we offer the following recommendations:

Rail Recommendations

That the CTA be enhanced to provide for the neutral assessment of and where required, the power to direct federally regulated railways to formally address proposals that benefit shippers and the community without causing material harm to the railways involved.

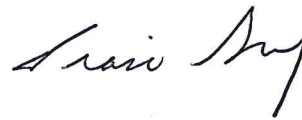
That the CTA be enhanced to provide for running rights from public rail facilities, such as Inland Ports, to Class 1 rail yards, where it is in the public and/or national interest without causing material harm to the railways involved.

That the CTA be enhanced to provide for physical access to competing rail infrastructure where it is determined that this connection will be in the public's interest (reducing congestion, decreasing emissions, making most efficient use of existing rail infrastructure, enhancing safety and security, decreasing proximity issues, freeing up redundant urban rail corridors) while leaving affected railways at minimum, economically neutral.

That the Railway Relocation and Railway Act be refreshed both in power and financial resources to ensure that opportunities to enhance future rail fluidity and enable economic opportunity for rail based industry, while reducing rail's impact on the urban footprint, are achieved.

CentrePort appreciates this opportunity to provide input to the Canadian Transportation Act review and would look forward to further discussing our rail challenges.

Sincerely,

A handwritten signature in black ink, appearing to read "Diane Gray". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Diane Gray
President & CEO