



September 19, 2017

Mr. Richard Paton, Chair
Railway Safety Act Review Panel
255 Albert St, Suite 702
Ottawa, ON K1P 6A9

Dear Mr. Paton:

I am writing to you on behalf of the Saskatchewan Association of Rural Municipalities (SARM). SARM is the independent association that represents rural municipal governments in Saskatchewan and is the principal advocate in representing them before senior government. All of Saskatchewan's 296 rural municipalities are voluntary members of SARM. The Association takes direction from its members and forms its policy accordingly.

We appreciate the opportunity to provide feedback to the Railway Safety Act Review Panel. The SARM Board of Directors has identified several issues that we believe need to be considered in the Review.

SARM has long held the position that there needs to be more focus on enforcing existing safety regulations to reduce the risks associated with moving dangerous goods by rail. Safety concerns associated with moving crude oil by rail is one of the main reasons SARM has been a vocal supporter of moving oil by pipelines; pipelines also help to free-up rail capacity for the transfer of grain and agricultural products which is critical for Saskatchewan's producers. SARM recognizes that dangerous goods will continue to be moved by rail, and hopes to see an emphasis on enforcing safety regulations to protect the public.

To improve rail safety it is vital that funding for grade crossing improvements be expanded. The *Grade Crossing Regulations* require road authorities to improve crossings to meet the standards by 2021. While the Rail Safety Improvement Program is helpful, additional funding and assistance must be dedicated to help road authorities improve crossings, in turn reducing injuries and fatalities caused by rail transportation.

Safety at grade crossings can be further enhanced by requiring train cars to have reflecting markings which would improve safety at non-lighted crossings. Unfortunately, not all federally-regulated train cars travelling through Saskatchewan have reflective markings. This is particularly dangerous in rural Saskatchewan where many crossings are non-lighted. Reflective markings would allow traffic to identify train cars in the distance and prevent injuries and fatalities.

It is SARM's position that short line railways should not be required to maintain the same insurance requirements as Class 1 federal railways when moving dangerous goods on portions of Class 1 rail. Federal insurance requirements for Class 1 railways that transport oil require Saskatchewan's short

lines to carry third party liability insurance ranging from \$10 million to \$75 million. For some short lines that move crude oil, especially those entering the market, the cost of this insurance required to travel on portions of Class 1 track will be prohibitive. These high costs may put some short lines in the position to transport less grain and more crude oil, to ensure that the steep costs of insurance requirements are worthwhile. Alternatively, some short lines may choose not to transport any crude oil so as to avoid the high insurance costs. This puts dangerous goods back on trucks and rural roads, which poses a much higher risk to public safety than transporting it via rail on known routes. Short lines also travel at slower, safer speeds than federally-regulated rail companies; therefore, should not be required to have the same liability coverages as Class 1 railways.

Although SARM supports autonomous municipalities, we recognize the potential risk for municipalities should they request and receive detailed updates on dangerous goods transported through their communities. It is important that municipalities receive information about the types of goods that will travel through their boundaries via rail; however, there is concern that the provision of detailed information to municipalities will make them liable and responsible to handle all emergencies. Rural municipalities in Saskatchewan do not have the capacity to handle major rail emergencies.

The Railway Safety Act Review must ensure that rail safety and emergency response costs are not downloaded to municipal ratepayers. Third-party liability insurance systems should be strengthened to prevent the downloading of liability costs on municipal ratepayers, even in the event of bankruptcies. Municipal ratepayers cannot afford to be responsible for the costs associated with rail emergencies because the railway happens to travel through their boundaries.

In addition, it is important that municipalities have the authority to share information received by railways on dangerous goods being transported by rail with emergency service personnel. Without this authority, there is little use in information sharing between municipalities and railway companies.

Thank you again for the opportunity to provide comment on the Railway Safety Act Review.

Sincerely,

A handwritten signature in black ink that reads "Ray Orb". The signature is written in a cursive, flowing style.

Ray Orb
President