

CTA Review Committee

October 27, 2014

Dear Sirs:

The South West Transportation Planning Council (SWTPC) is a provincially sponsored committee whose mandate is to provide informed commentary on the transportation systems in place in southwest Saskatchewan. With two shortlines within our area, the Great Western Railway and the Great Sandhills Railway, rail transportation is one of our primary concerns. Not only do these rail lines reduce grain traffic on highways in the southwest, they give farmers the opportunity to move their grain through the use of producer cars.

For many, the producer car is the most economic and effective means of getting grain to market. Though in the past as much as 95% of the grain transported through producer cars was devoted to the single desk of the Canadian Wheat Board, farmers have continued to show their confidence in the ability of rail lines to move grain via the producer car in the new free market.

Their confidence has been misplaced. Great West Rail alone has as many as 2000 cars backed up, and is now 16 weeks behind in loading cars allocated by the Canadian Grain Commission. A great many orders have not even been allocated.

The effects of the log jam of producer cars are serious. Those farmers relying on shortlines to transport their grain to the mainlines are suffering cash flow problems. Many have harvested a large new crop with no place to put it. Prices have fallen dramatically and farmers are taking that hit as well. Many are scrambling to see if grain contracted to the CWB can be recontracted to line companies, or at least hauled to their elevators. From the point of view of our Council, the long term effect will be to insure that in future the producer car option will be eschewed and grain that should be moving by rail will clog our highways, unnecessarily increasing wear and tear on them and jeopardizing road safety.

The requirements of the *Fair Rail for Grain Farmers Act* on the number of grain cars moving weekly has exacerbated an already grim situation for shortline users. In order to move hopper cars as required under this act, CP and CN have cherry picked the points that allow for the quickest turn around times. Producer cars have taken a back seat in the priority queue. The statutory right to producer cars is of no value if grain companies and rail lines are allowed to refuse access to them, or only allow access on a hit or miss basis.

In order to ensure the viability of the producer car we believe the Government of Canada (GOC) must take the following steps:

- 1) The producer car must be given priority as it was under the CWB monopoly, and car allotment removed from the present iron control of CP and CN and given to a neutral regulatory body. (See below.)

- 2) The GOC must establish a Grain Transportation Regulatory Agency that allocates cars in a fair and transparent manner, manages co-ordinated ship loading and which has the teeth to enforce regulated rulings.
- 3) The GOC must re-establish the Producer Cars Shippers of Canada organization, a producer based association, with provincial and federal governments matching funding from a producer car voluntary check-off, which will act as a producer advisory board.
- 4) All cars using shortlines must be allocated by the Canadian Grain Commission, whether they are a producer car or a dealer car.
- 5) The “Level of Service Complaint” process should be made readily available to smaller shippers and producers on a summary basis within shorter timelines.

Thank you for the opportunity to bring our recommendations forward.

Sincerely,

Duane Filson
SWTPC Chair