

## Farm West Holdings Inc.

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William (Bill) Cooper, President

In 1867 our Fathers of Confederation visualized a Democracy and thus The Constitution of Canada based on Competitive Enterprise.

I am sure they would be "turning in their graves" if they were to observe our Western Grain Marketing/Handling & Transportation System to-day. This has significance since the alternative to Competition is more Regulation. And I am sure your Panel will have calls for more of what we have. In fact even our Institutions that supposedly ensure adequate Competition seem to let us down. I recall a few years ago when the Competition Bureau was considering the sale of the old UGG Terminal and the proposed joint venture by Sask. Pool and JRI, (North Shore) they allowed the CWB (a monopoly) intervener status.(efficiency measure vs competition vs politics)

### Recommendations

- (1) Each of your Recommendations needs to be measured against a Competitive Matrix. I know the difficulty in making recommendations on Transportation without opening the Marketing door. Justice Estey noted that problem on many occasions but he did deal partially with it by recommending the CWB be at Port.

The Railways are often accused of monopolistic practices which may be justified, but is that caused by over-regulation, i.e. the Revenue Cap, the 1984 WGTA or due to the other entities making decisions on Rates& Destinations that should be made by Shippers.

Increasing Grain Transportation Competitiveness. (encourage competition at all stages of the H&T System)

- (a) Update and enhance the Estey model.
  - (b) The shipper would purchase all their transportation requirements.
  - (c) The shipper would direct the shipments to the most cost-efficient Port facility.
  - (d) The shipper would take ownership of the farmers commodity at first point of delivery.(paid in full)
  - (e) The shipper would NOT be paid Storage. (in 2007 the CWB paid \$70,883,000 on wht, bly,dur for inventory storage, not sure of more current yrs.)
  - (f) My sources tell me that wheat is being directed to the 1923 UGG(new name) even though the 50,000mt Panemex can only be partially loaded, then topped up at Cascadia Terminal. No Competition at the Port. The farmer pays!!!!!!!!!!.
- (2) Encourage a complete Review of the 1984 WGTA or maybe just Rescind the Act .My concern is that the current Act may limit our opportunities to Transport and Market our Commodities through the most cost/efficient route/port .e.g. when Campotex found Van Port to be expensive and inefficient they built in Portland and now moving upwards of two million tones through that facility. With CN,s focus on their route from Rupert to the Gulf opens all kinds of possibilities for Grain.We may think we are receiving preferred rates under the WGTA but many of our customers do not approve of our service .e.g. Thomas Mielke, editor of Oil World, Germany. has warned the Canola Industry in Mtgs in 2007 & 2009 that we have lost a good number of sales due to our inability to deliver to Port. Then there is the whole question of "what modes of transport" will be required in the future. As we grow less Wheat may mean more Containers??????
- (3) Railway Transportation Service must be facilitated with binding contracts negotiated between the Shipper and the Railway. The contracts would be written and supervised by the Lawyers within the CTA. The CTA would also deal with any disputes by encouraging a negotiated settlement rather than some of the expensive legal experiences of the past. The service contracts would have appropriate penalties for non performance applicable to both signatories. The other somewhat socialistic regulation we have is that freight rates must be based on the Tonne with no consideration given to the value of the commodity, time of year,etc. It strikes me that if a farmer has an \$850 /acre crop vs a \$250/acre crop he/she may be willing to pay more freight while the price was available.

(4) Producer Cars: The farmers right to ship P Cs is clearly spelled out in the Can Grain Act and should be administered by the CGC Not the CWB. Ever since the CWB took over that responsibility of the PCs the politics has become more important than the service. So far as I am concerned (and I shipped many PCs) the site maintenance and other services should be on a "User-Pay" basis. Costs of minimum or no Use sites should not be borne by other Shippers. In some cases the Site costs referred to may also apply to Short Lines which are there due to politics and not for sound business reasons, User-Pay is the answer.

I wish your Panel all the success in your deliberations. You have taken on a very important and complex task.

Yours sincerely

Bill Cooper