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To: The Rail Freight Service Review Panel

I have been involved in the agriculture business for in excess of twenty five years. I have spent a great deal of time during those years trying to improve the efficiencies and accountability within our grain marketing and transportation systems. I have taken part in many meetings of commodity groups, grain companies, the CWB, CGC, and with the Federal and Provincial Agriculture Ministers. I do not recall CN or CP organizing focus groups to speak with us their customers about how they might improve service. Perhaps this is happening at a different level, but from my perspective they have not made a concerted effort to identify if any problems exist. I sincerely hope that this review produces some results that are tangible and have some longevity.

I farm in the Peace Country and am therefore subjected to having only one rail service provider, CN. CN is notorious for not providing rail cars when they say they will. They expect everyone to patiently wait on standby in case they happen to show up with rail cars. The effect of their frequent lack of ability to follow a scheduled delivery of rail cars and the subsequent lack of communication with those affected then cascades down to the elevator or producer car site operator, and then eventually to the farmer. I have been contracting grain deliveries to grain companies for twenty five years. I can recall only **one** year in **twenty five** years where the grain companies able to take everything that they had contracted with me on or ahead of schedule. Often they have to delay for a month or two beyond the original date of the contract because the rail service doesn't allow them to meet their commitments. How can any business make plans or budgets for their grain movement? How can a farmer plan out his/her cash flow needs? Where is the accountability from CN? Where is the efficiency in having large high throughput elevators if you can't move grain out the backside of the facility? I have recently been dealing with three to six different grain companies in an effort to help lessen the risk of CN's non performance and increase my odds of being able to deliver grain. This has not been the most effective strategy as it would seem that CN is just as likely to short the cars at all facilities rather than short a particular facility. I have contracted sales up to 24 months in advance providing ample warning for industry players to get there business affairs in order and still there is no certainty that a delivery opportunity will exist when the delivery month arrives.

Recommendation I have:

- 1) Once a rail service provider commits to a delivery date they need to stick to the arranged date. If not able to they should notify the affected party and discuss the reason for the delay and when the cars may be available. The railway should pay a non performance penalty similar to the demurrage they charge when cars are not loaded on time. The rail company needs to understand and respect that everyone else involved are working their schedules around the delivery of rail cars. On numerous occasions elevators have staffed their facilities to load cars that do not arrive. Often this may occur outside normal business hours. Often facilities get under utilized due to the uncertainty of rail car supply. Grain companies operate under constant concern of not being able to move grain out the back side of the elevator. Filling their multi-million dollar facilities full of product based upon plans the railway has provided to them and then the train does not arrive. A system of rewarding the railways for superior performance should be implemented in conjunction with a system of penalties for non performance.
- 2) Once cars are loaded and released the railway is being paid to move those cars to a destination. It would seem to be a normal business practice that the railway would try to do so in an expeditious manner. However I hear of numerous occasions where people rush to get the cars loaded on time only to have them sit for days or even weeks before being pulled away. This is inefficient and needs to stop.
- 3) Rail cars need to arrive in a useable condition. When I have loaded producer cars they often arrive with bottom gates that will not close or broken lids in need of repair.
- 4) I suggest reviewing the recommendations of Justice Estey that for the most part were never implemented and had great merit.
- 5) It is my understanding that rail movement of oats south into the United States and Mexico has been plagued by high cost and inefficiencies. It would be worthy of inclusion in your review to further investigate this aspect of the transportation system.

These are five simple recommendations. Really it boils down to being competitive, being sincere, being respectful of the customer's needs, and trying to meet the customer's expectations. Most businesses would spend a significant amount of time, money, and effort to seek operational excellence. What is lacking here is the need to be competitive as we are captive to the one provider of rail service (I use the word service for lack of a better term). The transportation of grain needs to be treated as though it is a desired core component of the railways business. It currently appears that grain movement is treated as a residual filler commodity, an obligation, not a desired piece of the business pie.

We often hear discussion of the need for more hopper cars to meet the demands of the grain movement. I prefer to think that we have an ample supply of cars; we just need to use them in a more efficient manner. This responsibility falls upon all those within the industry. If we can improve turnaround times by 25%, 30%, or even 40% then it would be the equivalent to adding the same percentage of additional cars. When you know that trains have had turnarounds to the west coast in as little as 4 to 5 days there is a lot of room for improvement upon the current average turnaround which is closer to 20 days than it is to 5 days. It is all about striving for operational and logistical superiority within the industry.

I wish you success in your deliberations. This review could well become a pivotal juncture in the Canadian Transportation systems history.

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