

Rail Freight Service Review Secretariat
Suite 808 - 180 Elgin Street
Ottawa, Ontario
K1A 0N5

Feb 19, 2010

Re: Request for Submissions

Rail Freight Service Review Panel,

Rail freight is of crucial importance to the forage export industry as it connects shippers with the international markets. The forage exporters in Alberta and Saskatchewan request that the Rail Freight Service Review Panel considers this submission as it reviews the performance of the rail freight transportation supply chain.

Forage exporters in Alberta and Saskatchewan provide many diverse and special hay products including compressed timothy, alfalfa, oaten and mixed hays, pellets and hay cubes. While some of these products are sold on the local market level, many of these are exported to international countries to customers who have confidence in the quality of the product.

Much of the product that is exported to markets in the United States is moved by truck but the majority of product exported overseas is loaded in intermodal containers and moves by rail to the ports where it is loaded onto ships.

Canadian exporters compete for international markets with forage exporters in the United States, primarily those exporters located along the west coast with close access to the ports located in Seattle, Tacoma, Portland and Long Beach. The majority of the forage product being exported from Canada originates from Alberta and Saskatchewan. This means that the product has a significant distance to travel to reach port, primarily the Port of Vancouver.

Because of this distance, we are highly dependant on rail service to be able to move our product in a scheduled, efficient, and cost-effective manner. On this note, there are a number of areas of concern that we feel the panel should be aware of and seek to address in their review:

- 1) Changes to operations of intermodal facilities in Calgary, Edmonton and Saskatoon - the hours of operation have been reduced and the empty containers are no longer available for pick up in the yard. This leaves shippers having to put more trucks on the road to be able to get their loaded container to rail and the trucks are taking longer to return with an empty container to be filled.
- 2) Some terminals such as CN give their own truck preferential treatment in getting special loading times allocated to themselves. Can their level of service not be up to their own standards during regular operating hours? Why should other trucking companies have less access to the container terminals? This is leading CN to try

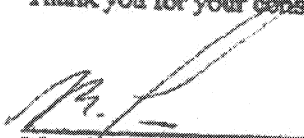
to control more aspects of the logistics value chain for our products. This is not a positive step.

- 3) Lack of concern on the part of the rail lines for trains that get split or cars that get separated which splits orders and increases the costs and paperwork for shippers. The majority of the sales being made to customers overseas is shipped in multiple container shipments and is expected to sail on the same vessel so that costs are reduced and the shipments arrive as scheduled at the customers ports to be distributed from there.
- 4) Ongoing labour relations issues frequently resulting in work stoppages. While this issue extends to include the port operations as well, it is seldom that we can go for more than 6 months at a time without being affected by a strike or threat of a strike. This obviously affects the amount of work being done and can be very frustrating when we are trying to service our international customers who are relying on their shipments arriving on a timely basis.


With the changes being made by both the Canadian National and Canadian Pacific railways to streamline their operations, this is leading to substandard service levels in particular to those who are located outside of the main hubs of the rail system. This regional disparity is putting more strain on the road infrastructure leading to the hub with the increased number of trucks on the road.

We request that the review panel looks at creating a business environment for the rail systems to operate within that allow for higher standards of service and greater involvement from those located outside of the hub areas to allow exporters to be competitive in the global marketplace.


Thank you for your consideration,




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