



Rail Freight Service Review  
Transport Canada  
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Ottawa, On

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Dear Mr. Paszowski et al,

Thank you for the opportunity to submit a review of the current services offered by Canadian rail companies.

We have found service levels for the most part to be positive and recognize the efforts of rail firms to operate efficiently and with good customer service.

However, we would like to make you aware of a serious situation in the port of Vancouver that is causing harm to Mazda Canada due to CN's refusal to support adequate volumes of rail car switchin to and from Fraser Wharves.

- 1) Our company, Mazda Canada, has faced some serious delays delivering units from Vancouver to Eastern provinces due to CN refusing to provide adequate switching services with our port (Fraser Wharves). Although the rail capacity is about 74 rail cars, they have consistently refused to supply adequate number of rail cars to our port for our needs and other client's needs.
- 2) CN claims they cannot move enough railcars in a regular shift to meet our needs without employing overtime or another rail crew to complete the work. This means typically moving 33-48 rail cars although the port capacity and daily requirements are often in excess of this amount.
- 3) There is an abundance of rail cars available at nearby interchanges. The rail cars are available however CN is focused on switching efficiency and not on customer needs.
- 4) CN will sometimes fail to bring rail cars at all, or at a very low supply. (8-18 rail car). Clearly this is inadequate and they do not offer any remediation plan to bring the volumes back in line if a missed day occurs.
- 5) CN was an instrumental partner in developing a 74 rail car switch capacity and forced our port to invest in new tracks and infrastructure. And now they refuse to service to this level.
- 6) The port and MCI feel CN is using their monopoly on the short line out of Fraser Wharves to unduly influence our choice of railroad partners for cross country routes.
- 7) We believe CN should live to a long term Service Level Agreement with cost penalties if out of line conditions prevail over a period of time.
- 8) The financial impact to Mazda is serious. We are failing to meet our dealer needs and as a result we are losing retail sales, with impact to Canadian dealer lost revenue, and the cost impact of additional inventory storage and longer dwell times is in the hundreds of thousands of dollars per annum.
- 9) CN must live up to its short line switching agreements, not cause continuous long term impact to our and our port health, or give up the monopoly on the short line to the interchange.

The damage may already be done. We have been given some direction by our head office in Japan to seek a new port. As the only other viable port has no capacity for us, we are looking at moving our 75,000 unit port arrivals to Port Tacoma. Fraser wharves will lose jobs, about \$1.4M in revenue and the port will lose wharfage fees and work for their union staff.

I could avoid this action if and only if CN can agree to deliver the required rail cars, on a weekly basis, up to a maximum of 74 rail cars. I have yet to get a satisfactory explanation for the current failures from CN officials.

Sincerely,



Steve Manweiler  
Sales Planning and Logistics  
Mazda Canada Inc.