



February 17, 2010

Mr. Walter Paszkowski, Chair
Rail Freight Service Review
Suite 808
180 Elgin Street
Ottawa, ON K1A 0N5

Dear Mr. Paszkowski,

The Association of Manitoba Municipalities is devoted to identifying and addressing the needs and concerns of our 198 member municipalities in order to achieve strong and effective municipal government in Manitoba. The AMM appreciates your invitation to provide a written submission for the Rail Freight Service Review.

AMM is troubled by the increasing trend towards abandoning rail lines. This is a major economic concern as railways are an integral part of Manitoba's transportation network. Manitoba is currently in the process of developing an inland port with the support of the Federal and Provincial governments. The availability of rail infrastructure and efficient, low-cost rail shipping options are necessary for the success of this transportation hub.

Rail links to northern Manitoba and the Port of Churchill offer a key opportunity to further develop trade with overseas partners. However, eliminating or neglecting rail lines deters business development in many areas due to the reduced number of connections between producers and markets. In communities where the railway is the only transportation link, abandoning rail lines effectively halts future economic development opportunities, isolates communities, and cuts off access to required goods and services.

Municipalities are faced with growing difficulties in meeting local infrastructure demands, especially when the discontinuance of rail lines creates additional costs for municipalities. Rail lines need to be preserved and maintained as recent rail line abandonment related to agricultural shipping has increased pressure on Provincial and municipal roads. These changing traffic patterns have resulted in a need for increased investment in road maintenance and repair.

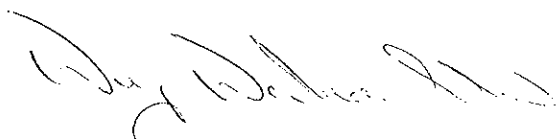
Furthermore, companies that choose to abandon rail lines must properly compensate municipalities. While current legislation under *The Canada Transport Act* requires a federally-regulated railway company to provide compensation to affected municipalities when discontinuing the operation of a grain-dependent branch line, provincially-regulated companies are not subject to the same federal regulations. When a rail line is discontinued by a provincially-regulated successor company, municipalities are left with substantial costs and no compensation. Provincial rail line abandonment regulations must be strengthened to ensure that Provincially-regulated rail companies remain accountable to municipalities for rail line abandonment costs and compensation.

The AMM is also aware of the significant environmental impacts associated with rail line abandonment. From an emissions standpoint, shipping by road generates far more greenhouse gas than shipping by rail. As well many rail beds act as dykes to protect communities against high water levels. The elimination of this infrastructure therefore changes drainage structures and puts communities at an increased risk of flooding. In addition, the abandoned rail beds pose an environmental threat where contamination issues have not been resolved. It is critical for the decommissioning process to include sufficient efforts to remove any contamination that would pose a threat to the local population and environment. If the railway companies are not held responsible for removing contamination, municipalities will be forced to take on this substantial liability

Rail service and rail line abandonment are very important issues to Manitoba municipalities for economic and environmental reasons. The potential exists to further expand and develop rail service as Manitoba becomes an inland transportation hub. Federal policy changes that result in detrimental impacts for Manitoba communities must be avoided.

The AMM has no objections to the posting of our submission on the Rail Freight Service Review website. Should you have any questions or concerns, please do not hesitate to contact our office.

Sincerely,

A handwritten signature in black ink, appearing to read "Doug Dobrowolski". The signature is fluid and cursive, written over a white background.

Doug Dobrowolski
President