

April 26, 2010

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

Dear Panelists:

The Halifax Chamber of Commerce would like to take this opportunity to comment on the Rail Freight Service Review and suggest how it may play a significant role in the future development and improvement of the transportation industry in Canada.

The transportation sector is an economic enabler for the Canadian economy, allowing value added sectors to develop, creating jobs and allowing us to compete domestically and globally. A timely, predictable and cost competitive rail network is critically important to ensure global competitiveness for import and export business. As the third largest container port in Canada, the Port of Halifax relies on an efficient and effective rail link to markets in the rest of Canada and the mid-western United States. As a result rail service is as important economically to Ontario and Quebec as it is to Halifax, Nova Scotia.

We feel the results of the review should include an improved national transportation policy that takes the following key principles into account:

- The federal government must support the transportation sector by ensuring Canada has a proactive, concise transportation policy.
- A national transportation policy must be market driven to encourage efficiencies in the national logistics system and reflect stakeholder activity.
- Rail is an essential component of a national transportation system - effective and efficient rail service is critical to national interests.
- Nation-wide logistical connections, including timely and reliable coast-to coast rail service, are essential to maintaining Canada's competitiveness.
- Level of Service Standards should be established for all stakeholders involved in serving customers in the logistics chain (including terminal operators, ports and rail service providers). Written agreements should be reached between these parties and these agreements should include requirements to notify customers and other stakeholders of service changes with a proper notification period, key performance metrics for each stakeholder to be measured against, review process with the goal for stakeholders to correct their respective systemic problems and a dispute resolution process.

- A federal tribunal should be established to review any request made by CN or CP to change its network through acquisition or divesture. The tribunal should ensure the result is not a significant loss of rail service and cause a loss of port business and/or significant reduction in customer service.
- There should be a broader interpretation of which parties can bring railway service issues to federal arbitration for resolution. Port authorities and terminal operators should have standing in this process.
- Encourage private sector infrastructure investment and reward.

In conclusion, the Halifax Chamber of Commerce feels that if these changes are made to the national transportation policy, the Canadian transportation industry will become more efficient, collaborative and customer focused. This is required to ensure Canadian ports improve their competitive position against the other ports and rail routes in the US, that are in competition with the Canadian logistics chain in reaching the North-American markets, thus ensuring continued growth to the nation's economy.

Sincerely,

A handwritten signature in black ink, appearing to read 'Valerie A. Payn', with a stylized flourish at the end.

Valerie A. Payn
President and CEO

CC - Karen Oldfield, Halifax Port Authority
Bill Estabrooks, NS Minister of Transportation
John Baird, Minister of Transport (Federal)