



# OFFICE OF THE MAYOR

## TOWN OF PEACE RIVER

April 30, 2010

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

E-mail Address: [rfsr-esmf@tc.gc.ca](mailto:rfsr-esmf@tc.gc.ca)

Dear Sirs:

**RE: Submission to the Transport Canada Rail Freight Service Review Panel**

As a northern Alberta community, Peace River relies on rail service to sustain its economy. The Peace Region has a diverse range of contributors to the local economy including agriculture, oil, gas, and forestry. Without a reliable and cost effective method of transporting goods in and out of the region these industries would not be sustainable, in turn, our region as a whole would feel the effects.

The Town of Peace River has reviewed the submission put forward by the Peace Region Economic Development Alliance and strongly supports the following recommendations:

- There is an urgent requirement for the creation of an oversight body to develop key performance indicators related to railway transportation. The oversight body will be responsible for collecting data to measure how all stakeholders are performing. The body can impose penalties on those stakeholders who are underperforming or causing losses/damages to other participants in the supply chain.
- The oversight body should have representation from all major stakeholders, including a representative from the Peace Country. The Panel should encourage CP and CN to establish a permanent task force with authority to build a business model that addresses issues of customer service, infrastructure and the public interest. CN's task force should include representation from northern Alberta. CN should be receptive to this approach. CN's Vice President of Sales and Marketing, Peter Ladouceur, is recently quoted as saying "You're going to see a new CN. You're going to see CN come out in a more customer-centric manner. We won't be driving our agenda only, all the time, as we have done in the past 10 years."
- Pricing of rail services must reflect actual costs and not be predatory, discriminatory, unfair or uncompetitive. Requests for rail services and quotes must be provided expeditiously, according to performance measures, noted above.

- The Rail Freight Service Review Panel should request Statistics Canada to review inefficiencies and prioritization issues in the rail industry in order to measure their effects on productivity. Canada has consistently lagged the United States and other developed countries in productivity, and it should be determined how much of this is related to railway transportation service. Understanding of the link between railway service and productivity may have implications for public policy.
- To increase competition, the Panel can look at the following options:
  - Amend the CTA to make running rights an effective option
  - Amend the CTA to extend inter-switching distances
  - Permit provincially regulated short line railways to qualify for federal government grants
  - Encourage CN and CP to use short line railways for lesser volume lines
  - Consider public ownership (or public/private partnership) of lesser volume lines. (This option corresponds with the intent of Alberta's *Competitiveness Act*.)
- Develop Best Practices for the abandonment of rail lines. Railways that abandon lines should compensate municipalities as well as affected businesses.
- As an integral part of Peace Country business, CN must help communities work together within a business model that has relevance to northwest Alberta. They should have the ability and insight to operate under multi-layered business models, from global to regional.

We look forward to positive results from this review.

Sincerely,



Iris Callioux  
Mayor  
Town of Peace River

