

Comments: Rail Infrastructure in the High Level Region The current rail configuration dates back to 1964, when the federal government funded and built the Great Slave Lake Railway. Entrusted to CN ownership and operation, the line ran from Grimshaw in Alberta to Hay River and Pine Point, NWT and was intended to serve the shipment of lead-zinc ore from the mine at Pine Point. In 1981, CN purchased CP Rail's lines that connected to Edmonton, enabling CN to operate seamlessly between Hay River and Edmonton. In the late 1990's, CN Rail sold a portion of the line to a short line operator. The railway was renamed the Mackenzie Northern Railway, covered 965 km and interchanged cars with CN at Smith, In early 2006, CN repurchased the Mackenzie Northern Railway that now connects with the CN mainline at Edmonton.

The most recent CN purchase means that the High Level Region now has single railroad access to a large proportion of the North American continent. Access to the rest of Canada, the US, and parts of Mexico can be accomplished by a single interchange with other railways. CN Rail is presently replacing or upgrading ties and improving the rail roadbed between Keg River and High Level.

The numbers of carloads of principal commodities handled on the line annually are as follows:

- 20,000 carloads forest products per year
- 6,000 carloads grain per year
- 4,000 carloads fuel to NWT per year
- 1,000 carloads miscellaneous per year

Approximately 600 carloads of grain per year originate from Viterra in High Level. La Crete Sawmill and Tolko Industries move product by rail, as do Footner Forest Products when they are open.

Car Supply is quoted as a problem on the line, both by agricultural and forest product shippers. Indeed, shortfalls in the supply of grain hopper cars represent systemic rail problem across the Prairie Provinces and are not particular to this rail line. One forest product shipper noted though, that car supply has been improving since CN Rail bought the line in 2006.

Shippers are also complaining of high rail freight rates. Since the High Level Region is a considerable distance from seaports and major markets in Canada and the US, relatively high rail rates can be expected to persist.

The Line is a 264-lb rail standard to High Level, and 220-lb rail from High Level to Hay River. Two hundred sixty four pound rail was the mainline standard when the line was constructed in the early 1960s. Since then, mainline standards have increased to 286-lb rail, and in some cases to 312-lb rail. The lower standard in the region's line has been a concern for many years. The 264-lb rail standard causes problems for forest product shippers because cars cannot be loaded to their full mainline standard potential. This results in an inefficient use of equipment and in higher than necessary transportation costs. The 264-lb rail is not a problem for grain shipments however, as most of Canada's rail grain hopper car fleet is old and built to the 264-lb standard, accommodating a payload of approximately 91 tonnes of

grain per car. Informal estimate of the cost of bringing the entire line up to 286-lb standard exceed \$60 million.

Rail Infrastructure Gaps and their Implications In order for the High Level region shippers to enjoy comparable rail service to that provided elsewhere on Alberta's mainline, two gaps need to be addresses: rail car availability according to demand and an upgrade of rail line to a 286-lb standard.

This upgrade would also benefit rail transport to the Northwest Territories as this is the only line that serves Canada's North.

Dean Krause
CAO
Town of High Level
10511 103 Street
High Level
Alberta
T0H 1Z0