



December 8, 2014

David Emerson, Chair
Canada Transportation Act Review Panel
Canada Transportation Act Review Secretariat
350 Albert Street, Suite 330
Ottawa ON K1A 0N5

Reference: 231457

secretariat@reviewcta-examenltc.gc.ca

Dear David Emerson:

Re: Grain Transportation

The Province of British Columbia is pleased to provide a submission respecting grain transportation to the Canada Transportation Act (CTA) Review Panel. Further, the Province will provide the Review Panel with a more fulsome submission on other matters by the December 30, 2014 deadline.

British Columbia recognizes the importance of safe, economic and efficient rail transportation in supporting and advancing the trade and social interests of Canada. Major investments in port, rail and road infrastructure are being made in British Columbia to facilitate the rapid increase in Asia-Pacific trade, and support British Columbia's role as Canada's Pacific Gateway to and from North America. Railways, shippers, port authorities, and the federal and provincial governments have and will continue to work collaboratively to plan for anticipated growth in trade through the Pacific Gateway. Past collaborative efforts of this nature have been highly successful in improving the efficiency of the Pacific Gateway and maximizing trade benefits for Canada.

British Columbia recognizes that the unprecedented bumper grain crop in 2013, combined with unseasonably cold weather on the Prairies, presented significant challenges to the Western Canadian grain supply chain in meeting both export and domestic grain demand.

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At their New West Partnership Transportation Summit meeting held in Regina on November 6, 2014, the premiers of Alberta, Saskatchewan and British Columbia noted that the CTA Review presents an opportunity to review Canada's regulations and policies to ensure they support international trade and competitiveness. Premiers also agreed the Review could form the catalyst to expand monitoring systems, information sharing, and cooperation amongst stakeholders, creating the conditions needed to improve the efficiency of goods movement across the transportation network. Premiers and industry leaders agreed that information sharing and co-ordination is essential to ensuring the entire network can accommodate current and projected volumes of products. Participants at the summit also agreed that protocols should be developed to handle peak demand in the transportation system, and that incentives should be explored to increase surge capacity and supply chain innovation.

British Columbia emphasizes the need for a supply chain that is reliable, efficient and has the capacity to handle both current and future export and import demands for all commodities. As such, the Province recommends Canada consider the following actions:

Short Term Actions:

1. Clarify service obligations for all parties and implement a mechanism to ensure accountability between all participants in the supply chain.

British Columbia encourages all supply chain participants to develop and implement bilateral or multilateral service arrangements on a collaborative basis with reciprocal penalties and incentives to ensure efficiencies are identified and pursued, and to establish a mutually reinforcing relationship between the parties.

2. Develop performance metrics and monitoring for all participants in the supply chain.

Collaborative solutions to identified challenges can be built based on agreement among supply chain participants on reciprocal performance metrics and strong communications. The Pacific Gateway Alliance partners, which include the three western provinces, Canadian National and Canadian Pacific railways, Ports of Vancouver and Prince Rupert, and the federal government have committed to work together with grain shippers to identify problems and collaborate on joint solutions.

Another example of effective stakeholder collaboration is the Asia-Pacific Gateway and Corridor (APGCI) Initiative. To date, 47 strategic transportation infrastructure projects valued at more than \$3.5 billion have been announced by the federal government in partnership with all four western provinces and other public and private sector partners. The APGCI Gateway Performance Table, established in 2008, represents a cross-section of major transportation, shipping and labour interests operating in the Lower Mainland of British Columbia and across the Prairies. The Performance Table was set up in response to ongoing stakeholder feedback regarding the overall performance of the intermodal supply chain, and to assess whether APGCI infrastructure investments were resulting in performance improvements over time. A similar approach to collaboration should be adopted for use by stakeholders in the bulk commodity supply chain.

To identify where supply chain improvements are needed, British Columbia recommends that transparent monitoring activities include all commodities that move through the Pacific Gateway. Bulk commodity traffic, such as grain and coal, and container traffic all require tailored transportation services that require continued monitoring of shippers and transportation service providers to ensure efficiency and accountability.

3. Consider impacts of potential amendment of the Canada Transportation Act.

British Columbia supports the joint objective of an efficient, reliable, and effective transportation supply chain and sees collaborative solutions as the preferred approach to achieve this. British Columbia recognizes that the Order in Council from earlier this year and expeditious legislative changes were intended to increase rail car supply and address backlogs across the grain supply chain. Some Western Provinces may also seek more prescriptive regulatory changes beyond those considered in the Order in Council. British Columbia urges Canada to consider that amendments to the *Canada Transportation Act*, or actions taken under the Act, may impact supply chain stakeholders in unintended ways, and that efforts must be made to ensure that any actions do not have unintended consequences both for the grain supply chain and for other commodities.

Longer Term Actions:

British Columbia is committed to engaging in long term policy discussions with Transport Canada, its western provincial partners, shippers and supply chain transportation service providers to emphasize solutions that result in reliable, efficient service for all commodities.

B.C. is committed to working with New West partner provinces, the federal government and industry to ensure that the region's gateway facilities and transportation networks are able to support current and future export targets, including grain targets, for the region. A more detailed supply chain analysis is planned to be undertaken through Pacific Gateway Alliance, which may inform an integrated submission for infrastructure funding.

There is a need to recognize and acknowledge the advances that have already been achieved through the Pacific Gateway collaboration. Over the last eight years, the provinces of British Columbia, Alberta and Saskatchewan, together with the federal government and the private transportation sector, invested nearly \$22 billion in transportation infrastructure to support international trade. Aside from LNG investments, a further \$16 billion in improvements over the next ten years has also been identified.

As Canada's Pacific Gateway Province, British Columbia is committed to building on the success of its collaborations with public and private sector partners to ensure the region's transportation facilities and networks are fully able to support current and future trade opportunities for the benefit of all Canadians.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Grant Main', with a stylized flourish at the end.

Grant Main
Deputy Minister

Copy to: Derek Sturko, Deputy Minister
Ministry of Agriculture

Athana Mentzelopoulos, Deputy Minister
Ministry of Jobs, Tourism and Skills Training

Shannon Baskerville, Deputy Minister
Ministry of International Trade

Pierrette Maranda, Associate Deputy Minister
Intergovernmental Relations Secretariat

Deborah Bowman, Assistant Deputy Minister
Ministry of Transportation and Infrastructure