

February 21, 2018

Senator David Tkachuk, Chair  
Senate Standing Committee on Transport and Communications  
The Senate of Canada  
Ottawa, ON K1A 0A4

Dear Senator Tkachuk,

Saskatchewan Pulse Growers is a farmer-led development board in Saskatchewan, working on behalf of the approximately 15,000 growers of pulse crops such as lentils, peas, and chickpeas in the Province. We make investments into research and market development, and advocate in support of growth of the sector. Saskatchewan is Canada's largest producer and exporter of pulse crops, accounting for half of Canada's pea production and 90 per cent Canada's lentil and chickpea production. In 2016, exports of pulses from Saskatchewan were \$3.5 billion. Eighty-five per cent of our production is exported and we are therefore highly reliant on a well-functioning grain transportation system for competitiveness and profitability. We face challenges in reliable and predictable rail service, and the problems are particularly acute this year. Bill C-49, *Transportation Modernization Act* includes a number of important provisions and we recommend an amendment that will improve the effectiveness of legislation for shippers and farmers.

The Ag Transport Coalition (ATC) has developed and been operating a real-time performance measurement system for rail transportation for grain. This system provides daily and weekly reporting on grain pipeline performance, providing decision-makers with the information needed to make immediate decisions based on system performance. The ATC performance measurement system currently accounts for 90 per cent of all grain shipped from Western Canada. This valuable tool has been shedding light on the railway performance situation throughout the current crop year.

The railway service issues experienced by the Canadian agriculture industry are systemic. For this crop year to date in Saskatchewan, CN has supplied, on-time, only 66 per cent of the hopper cars ordered by grain shippers. For the last four weeks, CN has provided less than 50 per cent of rail car orders, including only 30 per cent in the most recent week. CP has also been consistently declining in orders met in recent weeks. These service interruptions come at a time when pulse and special crop movements are already depressed due to market access challenges, and the lack of on-time service is further compromising Canada's competitiveness in end-use markets. Delays and service disruptions continue to have a significant impact on farmers looking to move their crop, and on shippers who have little to no recourse to improve their service in a timely way, while railway companies face no significant impact.

The ATC performance reporting system demonstrates at least two things. First, the value of real-time system performance data is critical to being able to immediately identify when and where system performance challenges are occurring. Second, it provides the real-time performance information that commercial players and regulators can use to take actions based on system performance.

Despite the fact that railway service has been vastly underwhelming relative to grain shipping demand for a large portion of the current crop year, the Canadian Transportation Agency (the Agency) does not have the power to act on its own motion.

Amending Bill C-49 to provide the Canadian Transportation Agency with Own-motion power would remove the requirement of the Agency to receive a complaint from a shipper, instead enabling the Agency to investigate

service issues and railways actions independently, and identify solutions within their regulatory toolbox. Requiring a formalized complaint from a shipping company is a costly, and risky requirement, with shippers expressing concerns of retaliation from railway companies in the form of even poorer service.

Saskatchewan Pulse Growers believes that Own-motion powers are a reasonable extension of the transparency that the ATC has brought to the railway system. The data that has been made available through the ATC and other sources, including farmers, has positioned the Canadian agriculture industry better than ever to identify and provide support that demonstrates when these systemic issues are occurring, and request the Agency to investigate. By enabling the Agency with Own-motion powers we have confidence in the Agency's ability to foster a more effective and higher functioning transportation system for farmers in Saskatchewan, and the entire grain supply chain.

We encourage the Senate Standing Committee on Transport and Communications to amend Bill C-49, *Transportation Modernization Act*, to include a provision to provide the Canadian Transportation Agency with Own-motion power. Please do not hesitate to contact Carl Potts, Executive Director, at 306-668-6676 or [cpotts@saskpulse.com](mailto:cpotts@saskpulse.com) if you have any questions or require any further information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Corey Loessin', with a long horizontal flourish extending to the right.

Corey Loessin,  
Chair, Board of Directors

CC: Members of Senate Standing Committee on Transport and Communications