



August 28, 2018

Mr. Scott Streiner, Chair and CEO
Canadian Transportation Agency
Ottawa, ON K1A 0N9

Dear Mr. Streiner:

Re: Regulatory Modernization for Rail Transportation

I am writing to you on behalf of the Saskatchewan Association of Rural Municipalities (SARM). SARM is the independent association that represents rural municipal governments in Saskatchewan and is the principal advocate in representing them before senior government. All of Saskatchewan's 296 rural municipalities are voluntary members of SARM. As the voice of rural Saskatchewan, SARM's mandate is to represent rural municipalities on both municipal and agricultural issues. The Association takes direction from its members and forms its policy accordingly.

We appreciate the opportunity to provide feedback to the Canadian Transportation Agency's (CTA) consultations on rail-related regulations and guidance materials. The SARM Board of Directors has identified several issues that we believe need to be considered in this consultation.

Upon review of the discussion paper, SARM supports the consolidation of all rail-related regulation for ease of reference and access. In matters as complex as rail transportation, ease of reference is paramount. We also believe Transport Canada and the CTA should host a series of webinars on changes made via Bill C-49, as well as any changes that result from this consultation. SARM also supports the creation of easy-to-read booklets explaining the changes for producers and shippers, similar to those created for Growing Forward II.

Upon review of the discussion paper and conversations with Transport Canada officials, SARM is concerned about the complexity of long-haul interswitching. Shippers must apply to the CTA to access long-haul interswitching. We fear that there may be a long waiting period for response from the CTA. While we are happy to see the new long-haul interswitching provisions in Bill C-49, we worry it may be more difficult and costly to access. The regulatory burden on interswitching must be reduced, and shippers need to know what the cost will be before they apply for long-haul interswitching. We also want Transport Canada and the CTA to ensure that long-haul interswitching rates will not be set so high that no shippers will use them.

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It is most important that the *Transportation Modernization Act* and related regulations ensure the CTA and Transport Canada have adequate mechanisms to keep railways accountable. For instance, SARM believes the federal government needs the ability to take action if they deem a railway's Grain Plan to be insufficient or not viable. Without adequate enforcement mechanisms, Bill C-49 will not bring about meaningful change.

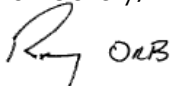
While SARM appreciates the CTA's focus on insurance filing and coverage requirements, we do not have the expertise to comment on the specifics of these items. However, we do feel there needs to be a much greater emphasis on enforcement. Insurance comes in to play only after an incident has occurred. The key to minimizing the realization of insurance is to prevent incidents from occurring in the first place. To do so, enforcement must be a priority. Unfortunately, there has been a poor track record of enforcement in the past which has played a role in many serious incidents, including the tragedy of Lac-Mégantic. SARM would like the CTA to ramp up enforcement significantly to prevent future tragedies.

When a fire is the result of railway operations and a municipal fire department responds, it is very important that the municipality be reimbursed for the costs of fire fighting. In too many cases, municipal fire departments are not guaranteed repayment for their services. This is problematic as many municipalities operate fire services within significant financial and resource constraints, and are highly dependent on volunteers. As such, SARM requests that the CTA deem railways to be responsible for firefighting costs in all cases where the fire starts in the rail right-of-way, just as a landowner is responsible for the costs associated with fighting a fire on their land.

SARM also believes it is important the CTA trust the determinations made by a Fire Chief on the scene of a fire. A Fire Chief is in charge of the scene and in the best position to determine what is necessary to fight a fire. We are concerned that the CTA may not cover all fire fighting costs, even if they were deemed necessary by a Fire Chief to fight a fire. As such, it is SARM's positions that the CTA should trust in the Fire Chief's determinations when reimbursing municipalities for fire fighting costs. We also believe it is important that the CTA does not implement an overhead rate on fire fighting costs, as these costs will differ across municipalities through Saskatchewan and the country.

Thank you for allowing us the opportunity to provide feedback to the Regulatory Modernization for Trail Transportation review. We will continue to work with the CTA and Transport Canada to continually improve rail transportation in Canada.

Sincerely,



Ray Orb
President