



TEAMALBERTA

ADVANCING ALBERTA'S CROP SECTOR TO 2025 AND BEYOND

Team Alberta meets with provincial transport and ag ministers to address imbalance of accountability and power in Canada's rail transportation system

FOR IMMEDIATE RELEASE

(Calgary, Alberta) September 26, 2016 – Last week representatives from Team Alberta met with provincial Transport Minister Brian Mason and Agriculture Minister Oneil Carlier to deliver producer-focused messaging that addresses the imbalance of accountability and market power in Canada's grain transportation system. The meeting took place prior to a final consultation meeting of federal provincial territorial (FTP) transport ministers set to take place on September 28.

The September 28 FTP consultation meeting is a key step in concluding the *Canada Transportation Act (CTA)* review led by Federal Transportation Minister Marc Garneau, and an important opportunity for provincial representatives to advocate for the needs of Alberta's cropping sector. The CTA review is expected to be tabled in late 2016.

"Throughout the consultation process farmers and industry members have been united in their concerns about railway market power," said Kevin Auch, Alberta Wheat Commission Chair.

"We are confident that our government will support our position by emphasizing the imbalance of power within the grain supply chain. Improved grain transportation service through commercial means is imperative in order to continue growing and diversifying Alberta's economy," added Allison Ammeter, Chair of the Alberta Pulse Growers Commission.

Alberta's economy has always been highly dependent on the rail transportation system to fulfill critical social needs and fuel economic growth. Agriculture represents one of Alberta's major exports with total merchandise exports of \$10 billion in 2015. Over 11 million tonnes of cropping sector commodities were exported from Alberta, almost completely by rail, and the demand for rail service is growing.

"Transportation remains a key concern to Albertan grain producers, and it is necessary to have proper mechanisms in place that provide shippers the ability to negotiate penalties and contract terms that are

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equal to those currently charged by the railways,” said Kevin Serfas, Regional Director with Alberta Canola Producers Commission.

“We need to create a competitive marketplace that allows growers to move grain in a predictable and efficient manner,” added Mike Ammeter, Chair of Alberta Barley.

Team Alberta promotes four key recommendations to ensure Alberta’s rail service will be more fair, predictable and efficient:

- **Service Level Agreements (SLA’s) that include mandatory financial consequences** for failure to perform to binding contract terms. SLAs will ensure costs due to poor railway performance are not downloaded to farmers by shippers.
- **Retain the Maximum Revenue Entitlement (MRE)** to protect producers against excessive rate increases, as freight costs are transferred to the producer by shippers.
- **Continuous improvement of interswitching, including the** extended interswitching limits be made permanent and improved efficiencies are reviewed, such as increasing interchange capacities or extending limits to 250 kilometers to enable modern day train efficiencies.
- **Clearer definition of adequate and suitable.** We believe that railways need to provide service according to the needs of their customers the way it would function a true commercial systems. This can be accomplished by adding a clear, demand based definition of “adequate and suitable” service in the *Canada Transportation Act*.

Team Alberta is made up of the Alberta Wheat Commission, Alberta Canola Producers Commission, Alberta Pulse Growers Commission and Alberta Barley. Together the organizations represent over 43, 000 farms across Alberta.

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