



6 July 2022

Joel Dei
Director of Rail Policy Analysis and Legislative Initiatives
Transport Canada
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Dear Mr. Dei,

We are writing on behalf of the Shipping Federation of Canada, which is the national association that represents the owners, operators and agents of ocean ships that carry Canada's imports and exports to and from world markets, in order to provide comments on the proposed *Regulations Amending the Transportation Information Regulations (Freight Rail Data)* that were published in Part 1 of the *Canada Gazette* on May 7, 2022.

Given our members' role in carrying Canada's international trade, we have a strong interest in these regulations and their potential contribution to a more efficient rail freight transportation system overall. By way of context, ocean ships interface with the rail mode in two key ways, based on whether they are carrying bulk or containerized cargo. The operators of ships carrying bulk cargoes interact with the railways mainly as connecting carriers who are positioned at either the beginning of the Canadian trade route (i.e. at the load port) or at its end (i.e. at the discharge port). As such, they have a strong interest in ensuring the efficient flow of cargo and avoiding port or terminal congestion due to rail service or capacity issues.

The operators of ships carrying containerized cargoes have an even closer relationship with the rail mode, insofar as they enter into a contractual relationship with the rail carrier for the door-to-door carriage of intermodal cargoes and thereby become clients of the railways (in the same ways as shippers are direct clients of the railways for the carriage of bulk cargoes). Container shipping lines have a major stake in an efficient rail transportation system, as the customers they serve view ocean carriage and rail carriage as part of a single transportation continuum that cannot be separated into parts when it comes to questions of service and reliability.

We support Transport Canada's effort to expand publicly available data on the performance of Canada's rail freight system, and believe that the indicators set out in the proposed regulations represent a significant enhancement of the transitional reporting requirements that were implemented in 2018 following the passage of the *Transportation Modernization Act*. We do not have specific comments to make on the new indicators being proposed, other than to note that they will likely be of most direct benefit to shippers of bulk commodities, as they offer a higher level of granularity (and therefore visibility) with respect to the movement of bulk rather than intermodal cargo, which is inevitable given the significant differences between the two types of trades overall.

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This being said, we do believe that the proposed new reporting requirements will provide a level of data that has hitherto been unavailable to supply chain stakeholders and policy makers alike, representing a major opportunity to gain much-needed insight into the performance of the rail freight transportation system that serves the Canadian economy. However, if we are to leverage the full potential benefits of the new regulations, it will be essential for Transport Canada to assess the relevance and utility of the data being collected on an ongoing basis, in order to ensure its value from a public policy and regulatory perspective. In a similar vein, it will be important for Transport Canada to publicly share key insights and conclusions about rail system performance that it derives from the new metrics, with a view to ensuring that this information is accessible to all relevant supply chain stakeholders, and that the benefits of the data collection effort are not reserved solely for those stakeholders who have an interest in conducting their own “deep dive” into the metrics.

In order to achieve the above, we recommend that the regulations include a requirement for Transport Canada to periodically review the proposed service and performance indicators in terms of relevance, value and the need for improvement or adjustment – with the first such review taking place two years after implementation. We also recommend that Transport Canada be required to publish an annual report on the performance of Canada’s rail freight transportation system based on the key findings and conclusions derived from proposed new indicators and resulting metrics – with the first such report being issued one year after the regulations come into effect.

We believe that these actions will ensure that the effort involved in the development and implementation of these new regulations does not simply result in the collection of data for its own sake, and helps build stakeholder confidence in the concrete value of the resulting metrics, whether by supporting their individual efforts to negotiate terms and conditions with the railways, or by providing a more general, but nevertheless valuable, overview of how the rail freight system is (or is not) meeting their needs on an ongoing basis.

We trust that you will give our comments due consideration and look forward to seeing the final version of the new regulations over the coming months. In the meantime, we would be happy to engage further with you on any of the above as required.

Sincerely,



Karen Kancens
Vice President
SHIPPING FEDERATION OF CANADA