

RAC Board of Directors Meeting 2021-01

May 12, 2021

**People. Goods.
Canada moves by rail.**



Railway Association
of Canada

Competition Law Compliance Policy

STATEMENT

The RAC believes in fair competition for businesses in the transportation sector and for their customers.

The RAC is committed to comply with **competition laws** applicable in Canada.

Under the leadership of its Board of Directors, the RAC carries out its activities, in a way as to not prevent or lessen competition, provides guidance to its committees and its employees on how to comply with applicable **competition laws**, and promotes with them the importance and value to the RAC of complying with **competition laws**.

The RAC Corporate Secretary ensures that RAC, its committees and its staff are familiar and comply with this policy.

COMPETITION LAW

The thrust of **competition laws** is to maintain and encourage competition in the market place and as a result to prohibit any act or agreement that might lessen competition. Non-compliance with the law could constitute a criminal offence to which significant fines might be attached.

RAC is a forum for railway members to exchange information and views on the railway sector. Particularly because RAC is an association that represents most of the players in the rail sector in Canada, any activity it conducts that might have the result of lessening competition or might be perceived as such should be carefully scrutinized.

PROHIBITED ACTIVITIES

Any activity, including discussions or agreements that relates to the following issues could result in the lessening of competition and as such is strictly not allowed.

- ☐ Prices (rates) charged to shippers for services provided by members of the RAC
- ☐ Prices (costs) paid to suppliers for services provided to members of the RAC
- ☐ Any other conditions associated with services provided to shippers or received from suppliers of RAC members, including discounts, rebates, etc. and level of service provisions
- ☐ Customer or territory allocation
- ☐ Limitation of supply of services provided by RAC members to their customers

GUIDANCE

Any activity, including discussions or agreements that could even remotely be construed as being an agreement or arrangement covering issues that could prevent or lessen competition, cannot take place at the RAC or any of its committees or any meeting organized or attended by RAC staff.

When meeting, members of a RAC committee or of the Board of Directors should

- ☐ Have a preset agenda and take minutes, recording resolutions adopted and summarizing the essentials of conversations that took place.
- ☐ Limit themselves to issues identified on the agenda, except if circumstances call for other issues to be addressed.
- ☐ Require legal assistance if any issue to be discussed might cause the members to believe that **competition laws** could be infringed.
- ☐ Suspend or even postpone to a later date discussions on such issues if legal advice cannot be sought in a timely manner.

Staff of the RAC shall in their duties ensure the confidentiality of information brought to their attention by members, avoid conflict of interest or situations that would discredit the RAC.



BOARD OF DIRECTORS MEETING – 2021-01
WEDNESDAY, MAY 12, 2021 – 09:30 AM – 11:00 AM EDT

TELUS BUSINESS CONNECT (VIDEO)– [CLICK HERE TO JOIN](#)

****FOR THOSE WHO CANNOT ATTEND VIRTUALLY – PLEASE USE THE FOLLOWING NUMBERS****

DIAL-IN INFORMATION (AUDIO)

Toll Free: (855) 959-9009 / **Meeting ID: 143 061 8225**

(647) 576-8079 Toronto, ON
(780) 666-2355 Edmonton, AB
(825) 509-5738 Calgary, AB
(204) 808-0415 Winnipeg, MB
(236) 477-8392 Vancouver, BC
(306) 518-4382 Saskatoon, SK
(418) 431-9917 Quebec, QC
(438) 794-7819 Montreal, QC
(613) 696-6172 Ottawa, ON

AGENDA

	<u>LEADER</u>	<u>TIME</u>
1. Welcome and Call to Order	Chair	09:30
2. Approval of Minutes	Chair	09:35>
2.1 Fall Board Meeting Minutes – October 15, 2020 [D]		
2.2 Biannual Meeting Minutes – January 28, 2021 [D]		
3. Governance	Chair	09:40>
3.1 Election of new Chair [D]		
3.2 Proposed RAC Directors for AGM Election [D]		
3.3 Election of Officers [D]		
3.4 Competition Law Compliance Policy Review [D]		
4. Committee Reports	RAC Team	09:45>
4.1 SOMC report	Brown/Healey/Fahmy	
4.2 PAC Report	Taylor/Kolz/Healey	
4.3 Communications and Media Relations	Montreuil	
4.4 Operation Lifesaver	Mayes	
5. Treasurer's Report	Peters/ Kazaka	10:10>
5.1 Finance & Audit Committee Report [D]		
5.2 Financial Update		
5.3 OL Resolutions [D]		
6. President's Report	Brazeau	10:20>
6.1 2020-2022 Strategic Business Plan – Q1 Dashboard		
6.2 Key Risk Heat Map		
6.3 RAC Talent Recruitment and Retention Update		
6.4 Performance Objective Review		
7. Upcoming Meetings	Brazeau	10:45>
7.1 Next Board Meeting [D]		
October 14, 2021 – Location and venue TBD		
Biannual Board call – February 9, 2022		

8. In Camera

Chair

10:50

9. Adjournment **[D]**

Chair

11:00>

[D] = Decision Required

> Supporting material in briefing book

APPENDIX

RAC Campaign Concepts Example



**BOARD OF DIRECTORS MEETING – 2020-02
THURSDAY, OCTOBER 15, 2020**

VIRTUAL/TELECONFERENCE CALL

MINUTES

To be adopted on May 12, 2021

Present on Teleconference

Fiona Murray, CN, Chair

Sean Finn, CN

Gord Peters, Cando Rail & Terminals Ltd.

Phil Verster, Metrolinx

Dominique Lemay, VIA Rail

Robert Taylor, CP, Vice-Chair

Jeff Ellis, CP

Louis Gravel, SFP Pointe-Noire

Corina Moore, Ontario Northland

Gerald Linden, SRY

Also Present on Teleconference

Peter Bedrossian, RAC

Stéphanie Montreuil, RAC

Sarah Mayes, OL

Keith Shearer, CP

Greg Kolz, RAC

Caroline Healey, RAC

Present in Person

Marc Brazeau, RAC

Sandra Kazaka, RAC

Johanne Delaney, RAC

Absent

Cynthia Garneau, VIA Rail

1. WELCOME AND CALL TO ORDER

The meeting of the Board of Directors of the Railway Association of Canada, held on Thursday, October 15th, 2020 in Ottawa, Ontario by teleconference, was called to order at 10:30am to deal with the agenda items contained in the RAC Board Briefing book.

Fiona Murray chaired the meeting with Sandra Kazaka acting as Secretary. The Chair reported there was a quorum present and declared the meeting to be properly constituted for the transaction of business.

2. APPROVAL OF THE MINUTES

Resolution 2020-09 – Minutes of the May 13th, 2020, Board of Directors meeting

It is moved by Louis Gravel and seconded by Sean Finn, that the minutes of the Board of Directors meeting held in Ottawa Ontario, on Wednesday, May 13th, 2020, are to be taken as read and approved.

3. COMMITTEE REPORTS

3.1 SOMC COMMITTEE

Keith Shearer, CP, Chair of SOMC, gave the report on the committee meeting that took place on October 14th, 2020 by teleconference.

Regulatory update:

- Duty & Rest period rules filed with the Minister on September 11th, 2020
- Grade Crossing Regulations fully in effect November 2021;
- Funding issue from road authorities has become apparent to TC and now TC is looking for reasonable rationale to extend or exempt based on risk;
 - RAC and the industry working group are fully engaged
- LVVR regulation was published on September 2nd, 2020. Fully in force September 2022;
- Ministerial Order issued for switching. Rule to be filed by June 2021.

ETC progress update:

- 2024 is the expected delivery date for completed operating standards;
- Requires \$1.0MM in funding annually from RAC members from 2021 – 2023 and \$500K in 2024;
- Industry will be required to provide expertise in terms of FTEs 3-4 per company required (TC Michael DeJong, Director General, Rail Safety, referenced this work as having importance with the Minister).

TC update – New Director General, Michael DeJong:

- TC is hosting information sessions on LVVR and will provide guidance;
- Recognize the issue with Grade Crossing Regulation;
- Key Trains Rules being revised by industry in response to Ministerial Orders issued earlier this year;
- Ministerial Order issued for switching in response to TSB recommendations;
- Duty and Rest Period Rules being reviewed. Also assessing how the proposed FRMS Regulations will co-exist with the Rules;
- Concerns raised that TC is proceeding without appropriate consultation with the industry.

TSB update:

2020 accident statistics compare favourably to 2019 performance and 3-year average.

3.2 PAC COMMITTEE

Sean Finn, CN, Chair of PAC, gave the report on the committee meeting that took place on October 14th, 2020 by teleconference.

Key Trains and Key Route Rules/Speed Restrictions:

- RAC's working group continues to move the file forward with TC;
- The 60-day consultation period on the draft revised Key Trains Rules will begin today with Labour groups;

- TC appears to be supportive of the progress to date, including suggested revisions to temperature-based speed restrictions vs calendar date speed restrictions;
- November 15th marks the start of the winter season (to March 14th) and speed requirement of the current MO/20-05 where companies must comply speed restrictions based on temperature, as proposed in the draft revised rules, will not be in place by then. However, TC has indicated in the interim that they are contemplating an amendment to MO/20-05 by considering the industry's recommendation of a temperature-based speed restriction;
- TC will be looking for the industry to agree to risk mitigation approach and plans, signed off by railway Professional Engineers;
- There is general support for RAC to engage other influential stakeholders to help deliver the message to TC that speed restrictions may have unintended consequences on customers (i.e. Federation of Agriculture, Provincial Premiers, Provincial Ministers of Transport);
- RAC needs to carefully monitor TC's progress and coordinate timing of outside stakeholder engagement with TC.

Grade Crossing Regulations

- Railways are currently being forced to pay the bill on what should clearly be a shared management responsibility between railways, municipalities and private landowners;
- Challenges include the current deadline of November 2021 and a lack of funding for municipalities;
- TC reiterated the importance of reducing fatalities at railway crossings and emphasized that a proposed extension must be based on a strong safety case and dealing with current economic realities faced by all stakeholders;
- TC has the information needed from the railways to begin preparing a briefing to the Minister, however, they will need to have additional discussions internally to ensure that the proper risk assessment approach is properly developed and detailed;
- There is general support for RAC to engage with mayors directly, given FCM's reticence to fully endorse a deadline extension;
- FCM is looking for RAC support on their request for more RSIP funding;
- RAC must reinforce RSA recommendations to the Transport Minister that Federal Government allocate more funds for railway safety in Canada;
- RAC must also, in partnership with Mayors, promote opportunity for more federal government investments in grade crossing upgrades as part of the overall post COVID-19 economic recovery plans.

Promotion Grain & Winter Plans

- RAC will work in partnership with CN & CP to develop and execute a promotional campaign focused on both companies' grain & winter plans;
- RAC will coordinate a meeting in the coming days with members to discuss the specifics of the proposed promotional campaign, including messaging, timeline and deliverables.

Quebec Outreach

RAC has hosted a series of meetings with a wide range of stakeholders in Quebec, including individuals and organizations in both the private and public sectors. These meetings have helped raise the RAC's profile in the Province of Quebec, develop

partnerships, and create opportunities for collaboration that will benefit RAC members and the rail industry as a whole.

2020 Events and Outreach

RAC has hosted a series of virtual “Business of Rail” and “Lunch & Learn” meetings, designed to engage and educate a broad audience of members, industry stakeholders, and government officials. Given the success of these events, additional sessions are being planned to take place between now and the end of the calendar year. In-person training sessions, such as Railway Operations Live, have been deferred to 2021 in light of current COVID-19 restrictions. However, the RAC is working with TC on a three-part series of Rail 101 sessions for their new hires.

Federal Government Engagement

RAC filed its 2021 Pre-budget Submission with the House of Commons Finance Committee in early August. Since then, the RAC has hosted one-on-one (virtual) meetings with more than 35 MPs and Senators, in order to increase RAC brand relevance, promote the recommendations included in their 2021 pre-budget submission, and advocate to ensure rail’s ongoing role in safely and efficiently moving Canada’s goods, resources and people.

Issues Management

RAC continues to engage with various ministers and departments on a wide variety of issues of importance to Canada’s railway industry. Whether it’s been highlighting the plight of their passenger rail operators during the COVID-19 pandemic, including tourism and commuter railways that are suffering unprecedented challenges, or promoting the vital importance of their freight carriers, including shortline railways, which are essential components of Canada’s supply chain, the RAC has been resolute in its approach.

3.3 COMMUNICATIONS AND MEDIA RELATIONS

Stéphanie Montreuil, RAC, Senior Director Communications and Media Relations, reported on the following items:

2020-2022 Strategic Objective

Leverage content marketing and KPI data to fully utilize social media platforms and expand reach to stakeholders and partners, while increasing RAC authority.

Social Media & Website

During COVID-19, the RAC’s followers have increased by over 10% with LinkedIn being the fastest growing platform. RAC has a more captive audience with increased outreach, increased engagement and increased number of users.

Decreased bounce rate which means people are finding what they are looking for and increased amount of time and number of pages visited.

The website has earned over 52,000 unique page views from over 23,000 visitors and the Rail Atlas continues to be the most popular page among visitors. Increased viewership means that RAC’s event audiences are also growing.

Daily News Update

The RAC is updating the look and feel of its Daily Newsletter which will now be a monthly newsletter that was launched in September with a 43.1% open rate and 11.1% click through rate.

The newsletter will present team members that have been added to the RAC in recent months. An upcoming campaign will feature the RAC team members on various platforms so members and key stakeholders can get to know them better.

Video Inventory

To date, the RAC has completed the following videos:

- Resiliency of the Rail Industry during COVID
- Right Track introduction
- CBoC report companion video

The next video will be a companion piece to the pre-budget submission and the final video of 2020 will be an introduction to the RAC Rail Atlas. This webpage continues to be the most visited page on the website.

Upcoming Campaign

The primary objective of the upcoming campaign is awareness. It will position the rail industry as a modern, green sector that is a key part of meeting the demands of the Canadian supply chain and further contribute to the economy by creating high paying jobs.

In addition, to send a clear message that the rail industry is able and ready to be a partner in the reconstruction of the post-economy Covid.

3.4 OPERATION LIFESAVER

Sarah Mayes, National Director of OL, reported on OL's activities since the last board meeting. OL is making good progress with their objectives despite the COVID-19 outbreak.

Rail Safety Improvement Program Funding

- OL's contribution agreement with TC has been finalized and TC will provide \$600,000/year in funding from April 1st, 2020 to March 31st, 2023. That's an increase of \$100,000 a year to support OL's rail safety outreach and campaigns. OL's Railway Suicide Prevention Initiative is now included in TC's funding.

Rail Safety Week and STOP Track Tragedies Campaign

The campaign was virtual this year with #STT videos edited into fresh ads for digital/radio campaign with Bell Media in 14 hotspot markets across Canada and social media campaign on Facebook/Instagram and YouTube.

- Bell Media campaign yielded impressive results with Radio ads aired more than 1,300 times across Canada, 100,000 video views on Bell's ConnectedTV platform and >2 million impressions on Bell-owned websites (CTV, TSN, etc.);
- OL has more than doubled the visits to their website this year through their campaign – with an average of about 1,700 visits a day for a total of more than 14,000;

- OL has had >1.1 million views of campaign videos and >5 million impressions;
- Compare that to their 2019 campaign: 368,000 views and 4 million impressions.

Municipal Outreach

- Launched new municipal rail safety “toolkit” (with plug-and-play social media messages, among other resources) — promoted in partnership with FCM;
- Developing some new animated videos for municipalities;
- Developed new Train to Drive VR video for agricultural workers and promoted it in rural communities;
- Unveiled 125 rail safety decals in 30 communities across Canada during RSW;
- 514 police departments/detachments from coast to coast participate in a virtual “Operation Clear Track” this year (that’s up from just 17 departments last year).

Corporate Partnerships

- Working with Mattel to produce Thomas & Friends rail-safety story and activity books for kids;
- U.S. publisher delays because of COVID-19, but aiming to produce books before year-end;
- Consultant engaged to secure partnerships for this project and OL’s suicide prevention campaign.

Suicide Prevention Campaign

- Canada Suicide Prevention Service (CSPS) has confirmed funding from Public Health Agency of Canada;
- Finalize video and print campaign materials for CSPS approval;
- Launch of campaign will depend on CSPS responder capacity – to possibly happen in early 2021.

4. TREASURER’S REPORT

Gord Peters made a summary of the items discussed at the recent Finance and Audit Committee meeting held on October 1st, 2020. Mr. Peters reported that RAC is in good financial condition and is well-positioned to handle the financial uncertainty of a pandemic.

2020 Audit Plan

The Committee reviewed and accepted the 2020 audit plan for RAC and Operation Lifesaver, and noted the area of audit focus, level of materiality, and oversight process on fraud risk. PricewaterhouseCoopers also presented new technology to enhance the efficiency and quality of the audit and value-added tools (dashboards).

Risk Assessment

The committee reviewed the key risks heat map and discussed items categorized as high impact and high likelihood including: B6-Key Trains and Key Routes Rules; B1-Enhanced Train Control.

The committee reviewed RAC’s internal risk assessment model and noted the shift in ranking for three categories– Staffing (Medium to Low - RAC now has full complement of staff with required skills); Pandemic (Medium to High – although working effectively from

home, staff could become sick); Age & Health of Workforce (High to Medium – succession plan in place, network of consultants).

At the spring meeting the F&A committee recommended that a Financial Risk Model be created detailing various risk levels for funding and identify options to reduce cost. The document was reviewed by PricewaterhouseCoopers in May and presented at the fall committee meeting.

2020 Financial Update

The committee reviewed the financial position at August 31st, noting the positive budget variance of \$137,000 and discussed the contributing factors and reviewed the projected financial position to year end. RAC is in healthy financial shape with Net Assets projected to be at \$3.6M.

- **2021 Proposed Budget & 3 Year Plan**

2021 Budget proposes:

- Continuation of the initiatives outlined in the 2020-2023 Strategic plan taking into account post Covid-19 economic recovery activities related to rail;
- Continuation of car loading services for 2021 (per survey recommendations);
- Support of \$100K for ETC initiative with remaining funding through a special assessment to key members;
- Maintain member assessment fee funding level at existing level of \$5,400,000 for 2021 through to 2023;
- Maintain Net Asset surplus at higher than \$2.0-\$2.2M range to absorb any potential loss in member dues with ongoing uncertainty of the pandemic.

The strong financial position forecast at end of 2020 supports the proposed 2021 budget, succession plan and required levels of Net Assets.

The committee recommends the proposed 2021 budget to the Board.

- **Other Items.**

Succession Planning – Committee reviewed succession planning requirements for 2021 through to 2023.

Government Remittances – Committee was advised that all remittances are current with no delinquencies.

Next meeting is scheduled April 29, 2021.

Resolution 2020-10 – 2021 RAC Budget
<p>It was moved by Gord Peters and seconded by Corina Moore, that the 2021 Budget be adopted within the following parameters:</p> <ul style="list-style-type: none"> a) 2021 Member assessment fee to remain at 2020 funding level of \$5,400,000; b) Continuation of existing programs; c) Special assessment to support ETC initiative net of \$100K support by RAC; d) Wage increase pending annual benchmark surveys and industry direction.

5. PRESIDENT'S REPORT

5.3 COVID-19 RESPONSE PLAN

Marc Brazeau reported on RAC's COVID-19 response plan

- Monitoring COVID-19 situation for RAC members;
- Ongoing discussion with Transport Canada on COVID-19 related issues and files;
- Ongoing meetings with key Ministerial staff and bureaucrats to address railway challenges and opportunities;
- Staff are working from home and the RAC continues to monitor and follow local guidelines regarding COVID. The RAC office remains accessible with controlled number of daily staff onsite;
- RAC held a teleconference with its staff in September on physical/mental health program for the wellbeing of their employees and families through RAC's benefit plan *Employee and Family Assistance Program (EFAP)*. David-Burns & Associates delivered the presentation.

5.2 RAC 2020-2022 BUSINESS PLAN

- Marc Brazeau discussed the Executive Summary of RAC's Strategic Business plan, the four pillars that focus on safety, innovation, environmental responsibility and growth. Spoke about the importance of RAC's mission and vision statement.
- Marc spoke on the Q3 dashboards showing progress, priorities and key deliverables of departments. After Q3, RAC is on track in delivering on the 2020 business plan. PCA is off track due to COVID impacts on events.

5.3 SUCCESSION PLANNING

RAC continues with their onboarding program with consultation occurring on a quarterly basis with new staff.

RAC is reviewing its 3-year financial projections that includes succession planning costs for identified positions. They are as follows:

- 2 positions in 2021;
- 1 position projected for 2022

Organizational changes and restructuring from Q2-Q3 are completed.

5.4 KEY RISK HEAT MAP

Marc Brazeau went through the key priorities, which are updated on a regular basis. Four high impact and high likelihood priorities were covered, and they are:

- Enhanced Train Control (ETC). RAC consultant and staff working on this file;
- Infrastructure Investments. RAC needs to advocate for more investments in rail;
- Duty and Rest Period Rules. Working committee comprised of a subject matter expert and industry representations is engaged on this important industry issue;

- Key Train and Key Routes Rules. The 60-day extension was approved by the Minister and working group continues to move the file forward with TC.

In response to the Track Safety Rules item on the Key Risks Heat Map, Phil Verster spoke of Metrolinx's on the track safety training program and will share the information with CN and CP.

6. **UPCOMING MEETINGS**

PROPOSED 2021-2022 RAC BOARD AND AGM MEETINGS

The proposed schedule for the RAC Board of Directors Meetings, the next Annual General Members Meeting and the biannual meeting are noted below.

RAC Board Biannual Call

DATE: Thursday, January 28, 2021
TIME: 1:00PM EST

Spring 2021 Board of Directors and Annual General Members Meetings:

DATE: Wednesday, May 12, 2021
TIME: TBD

PROPOSED LOCATION: Ottawa – Venue TBD

Fall 2021 Board of Directors Meeting

DATE: Thursday, October 14, 2021
TIME: TBD

PROPOSED LOCATION: TBD

Spring 2022 Board of Directors and Annual General Members Meetings:

TIME: TBD
DATE: Wednesday, May 11, 2022

PROPOSED LOCATION: Ottawa – Venue TBD

Resolution 2020-11: Upcoming Meetings
It is moved by Jeff Ellis and seconded by Corina Moore that the dates for both Spring 2021-2022 Board Meetings and AGM, the biannual board call in January 2021 and the Fall 2021 Board Meeting proposed above be adopted.

7. **IN CAMERA**

In camera session proceeded as usual.

8. **ADJOURNMENT**

Resolution 2020-12 – Adjournment
There being no further business, it was moved by Phil Verster and seconded by Sean Finn that the meeting be adjourned.

The CHAIR thanked the members for their participation and declared the meeting adjourned at 11:57 EST.

Board Action Items	BY WHOM	BY WHEN
1. Meeting minutes	JD	October 2020
2. Execute a grain and winter plan with CN & CP	GK/SMO	Q4 2020
3. Video campaigns: Pre-budget submission and RAC Rail Atlas	SMO	Q4 2020
4. Campaign Awareness – Post COVID	SMO	Q4 2020
5. Business of Rail, Lunch & Learns and Rail Ops Live session for Transport Canada	JG	Q4

2.1 APPROVAL – MINUTES OF PREVIOUS BOARD MEETING**Resolution 2021: Minutes – October 15, 2020 Board Meeting**

It is moved by _____ and seconded by _____ that
the Minutes of the Board of Directors meeting held by teleconference on Thursday,
October 15, 2020 be taken as read and approved.

**BIANNUAL RAC BOARD CALL
THURSDAY, JANUARY 28th, 2021
TELUS BUSINESS CONNECT**

MINUTES

To be adopted on May 12th, 2021

Present on call

Fiona Murray, CN Chair
Cassandra Quach, CP
Cynthia Garneau, VIA Rail
Phil Verster, Metrolinx
Gerald Linden, SRY
Caroline Healey, RAC
Johanne Delaney, RAC

Robert Taylor, CP Co-Chair
Gord Peters, Cando
Louis Gravel, SFP Pointe-Noire
Corina Moore, Ontario Northland
Marc Brazeau, RAC
Sandra Kazaka, RAC

Absent

Sean Finn, CN

Jeff Ellis, CP

1. WELCOME AND CALL TO ORDER

The meeting of the Biannual RAC Board call, held on Thursday, January 28th, 2021 in Ottawa, Ontario, by teleconference, was called to order at 1:00PM to deal with the agenda items contained in the RAC presentation deck.

Ms. Fiona Murray chaired the meeting and noted that the Terms of Reference and the Competition Guidelines were enclosed in the presentation deck and that the policy emphasizes RAC's organization's compliance with the Canadian Competition Law in all meetings and activities.

The purpose of this meeting is to provide a high-level update on current RAC business key priorities. Both the Spring and Fall Board meetings serve as more in-depth updates and presentations.

2. 2020-2021 FINANCIAL UPDATE – SANDRA KAZAKA

- The 2020 Financial results are expected to breakeven, which will leave RAC's Net Assets at approximately \$4.2M. RAC's Net Assets were originally projected at \$3.6M, however due to various expenses underspent or deferred to 2021, RAC is at a higher level than expected.
- The majority of 2020 objectives were achieved, some deferred to 2021 due to COVID restrictions such as RAC's Safety Culture leadership training, RAC's Shortline members emergency response plan training and OL's launch of the Suicide National Public Awareness campaign. The Q4 dashboard is complete and will be presented at the Board meeting in May.

- Funding for 2021 was maintained at the same level as 2020. The majority of Tourist and Commuter railways indicated their intent to pay their 2021 dues. To date, timing of receipt of member dues is on par with previous year, pre-COVID.
- The 2021 ETC project is underway as per the project plan presented at the Fall committee meeting. The funding for the project is expected to be in the range of \$950,000 to \$1M for 2021. \$100,000 will be covered under RAC's general budget and the remaining cost will be funded through a special assessment of the participating members which are CN, CP, VIA Rail and Metrolinx.
- Special Assessment to fund the ETC project will be invoiced on a quarterly basis to participating members.

3. RAILWAY OPERATIONS AND REGULATIONS UPDATE – CAROLINE HEALEY

- The current Track Safety Rules (MO 20-07) identifies three phases to revise the Rules. They were last modified on May 25th, 2012
- Filing dates: Phase 1 (April 1st, 2021); Phase 2 (Oct 1st, 2021); Phase 3 (April 1st, 2022)
- Phase 1 scope: Training, Qualification and Quality Assurance; Continuously Welded Rail Management; Track Geometry; Rail Wear Management; and Rail Surface Management
- RAC working group completed the proposed revisions for Phase 1
- Proposed Rules revisions were issued for consultations on January 21st, 2021.
- The Regulations for Locomotive Voice and Video Recorder (LVVR) were published in Part II of Canada Gazette II on September 2nd, 2020 and come into force on September 2nd, 2022
- Transport Canada has prepared a draft guidance document to supplement the Regulations
- Railways continue to be concerned about the implementation of the regulations in practical terms in the context of railway operations
- Railways have expressed concern that the 2-year regulatory compliance timeframe to equip all locomotive fleets will be challenging
- RAC is coordinating discussions with Transport Canada to obtain clarifications to certain regulatory requirements and to address identified implementation issues.
- Transport Canada is considering an application for regulatory relief with industry support for the Grade Crossing Regulation (compliance date November 28th, 2021)
- Transport Canada is asking stakeholders for feedback on the proposed regulatory relief. Relief under consideration are:
 - Change the scope of the regulations so that defined low-risk crossings do not need to meet all requirements
 - Extend the deadline using a risk-based approach for all grade crossings (one year for high-risk grade crossings and three years for all other crossings)
- The Federation of Canadian Municipalities, on behalf of its members, have identified that more financial support is needed.
- Ministerial Order 20-09 requires railways to develop a new switching rule to be integrated in the Canadian Rail Operating Rules (CROR) by June 1st, 2021

- The industry working group is developing the new switching rule, including associated changes to other CROR sections
- The proposed new switching rule will be ready for consultation before the end of February 2021
- The industry working group has been working on revising several sections of the CROR, which will be finalized and filed for approval by Transport Canada later this year.
- Revised Rules for Key Trains and Key Routes Rules (MO 20-16) was filed with Transport Canada on December 24th, 2020
- Feedback from Transport Canada expected in February 2021
- Rules apply to Key Trains and Higher Risk Key Trains operating on the Key Routes
- Revised Rules propose temperature-based speed restrictions for Key Trains and Higher Risk Key Trains during the winter months
- Revised Rules provides for exceptions to speed restrictions for companies that develop and adhere to Winter Operation Risk Mitigation Plan.
- Enhance Train Control (ETC) project multiyear plan was approved by the BoD on October 15th, 2020
- The 3 deliverables planned for 2020 were completed:
 - Risk-prioritization criteria and application methodology to rank corridors based on risk
 - Common definition of minimum functionalities to address identified risk levels
 - Operational Concepts standards
- Work has started on other standards (System Requirements)
- Five committees were identified to focus on different areas of development
- Member railways have been identified for each of the committees and work will commence in February 2021 as planned
- The Enhanced Train Control (ETC) 2021 work plan is developed, and includes:
 - Completion of ETC System Requirements Specifications document
 - Development of sub system requirements and Interface Control Documents
 - Development of suitable safety case roadmap
 - Explore communications options to determine an industry agreed to solution which will support ETC implementation
- The RAC has monthly updates with Transport Canada.
- RAC's Dangerous Goods team, Mechanical services team and Spectrum & Telecommunications is business as usual despite the challenges of working remotely and in a virtual environment as often their work requires to be in person, on location.
- The revised safety awareness module is completed and available for RAC's members.
- Lastly, the industry required several exemptions for certain activities to ensure continued operations and uninterrupted supply chain. The RAC worked with members and TC to identify requirements and as a result TC and other government departments issued their own temporary exemptions such as recertification of employees, medical recertification, relief for time-based inspections, etc., which are now used by members on an as needed basis.

- In closing, Magdy Fahmy, RAC's Senior Advisor has monthly touch points with rail safety staff and Caroline has monthly touch points with the DG of rail safety. The RAC is seeing value in those meetings in terms of building relationship and enhancing the collaborative approach.
- Louis Gravel, SFP Pointe-Noire inquired if the RAC sees any potential changes with the newly appointed Minister of Transport concerning new regulations. Marc Brazeau confirms that the RAC has been in touch with the Minister's office and according to the ADM and DM, it is business as usual in terms of our initiatives and projects. There will be a change of Chief of Staff, however.
- Metrolinx, Phil Verster's recommends a wide working group within members to share best practices for the safety of rail workers. CN shares full support.
- Fiona Murray commended on the great work the RAC has been doing on the regulatory files.

4. PUBLIC AFFAIRS AND COMMUNICATIONS UPDATE – GREG KOLZ

- Following the winter recess, Parliament resumed sitting on January 25th. While the government's main priority remains dealing with the impacts of the COVID-19 pandemic, the Liberals are also setting the stage for a possible federal election in the coming months.
- The liberals have had a cabinet shuffle recently that resulted in a new Minister of Transportation. Minister Garneau will remain supportive in the transition. There is talk of a new Chief of Staff.
- The transport committee is finalizing a study on the aviation sector. As of today, MP Taylor Bachrach (NDP) plans on introducing a motion to the committee to undertake the study on rail safety. The RAC plans to be involved should this come about.
- The RAC has completed close to 50 1/1 meetings with MPs and Senators since submitting the pre-budget submission in August 2020 which contained five key priorities for the RAC members including high-frequency rail, additional support for tourism rail operators, ensuring tax policy changes are implemented to allow for greater investments for freight carriers. The RAC is making sure that the newly elected MPs are made aware of who the RAC is as an organization, who we represent and the issues that matter most to our members. The feedback has been very positive.
- Issues discussed with MPs are pay equity, grade crossings, TIRs, Bill C-12, and carbon tax.
- At the provincial level it is worth noting that the provinces' pre-budget process has been delayed as a result of COVID. A meeting with the Ontario Minister of Finance and Treasury Board is tomorrow to highlight RAC priorities and action items. The RAC will follow up with a formal submission.
- Caroline Healey and Stéphanie Montreuil are working on a Quebec submission.

PUBLIC AFFAIRS AND COMMUNICATIONS UPDATE – STEPHANIE MONTREUIL

- The RAC has hired a digital media specialist who starts February 1st. Janet Greene, Director Member Engagement is also part of the communications team.

- Branding and standard operating procedures are in place. The new RAC brand has been launched and socialized through media platforms.
- Delivering events online due to COVID has turned out to be positive and enabled the RAC to reach a broader audience.
- The RAC deployed The Right Track branding through the awareness campaign which generated 30M impressions.
- Leverage KPI data to utilize digital platforms & reach stakeholders and partners. Established more meaningful baseline data to measure against (vs just vanity metrics). Allowing us to pivot in real time (e.g., during awareness campaign). Build out Video Inventory
- The RAC created five new videos in 2020. Those are, recognition of railway workers during COVID (with Fiona Murray, CN), Right Track Video, Pre-Budget Submission Video, Conference Board of Canada Report Video, and the holiday greeting video.
- The RAC will redesign their website in 2021.
- The RAC's monthly newsletter has been launched. Every month the RAC features a member, an associate member, and a staff member, along with other articles.
- New Awareness Campaign to be launched in mid-February.
- Increasing member outreach with events, committees, and co-promotion
- Videos will continue in 2021.
- The RAC is asking the board to sign a commitment letter for Right Track program on behalf of the membership which contains RAC's four pillars.

5. 2021 RAC STRATEGIC BUSINESS PLAN/TOP PRIORITIES – MARC BRAZEAU

- RAC's 2020-2022 Strategic Business Plan was approved at the previous biannual call in February 2020. Even though, RAC encountered challenges in 2020 such rail blockades and COVID-19, a number of initiatives from the plan have been executed. Those challenges gave the opportunity to show the importance of rail.
- RAC has put their mission and vision in action, as well as their four pillars, safety, innovation, environmental responsibility, and growth. The Right Track campaign will be executed in 2021.
- The RAC will encounter some tailwinds and headwinds in 2021. Tailwinds such as:
 - The ability for the RAC to be a unified voice for the rail industry
 - Continue to be a critical point of contact with Transport Canada
 - Continue to support shortline railways
 - Maximize modal shift and minimize greenhouse gas emissions
 - Continue to build on coalition and more dialogue
 - Reach out to other stakeholders such as provincial governments, particularly in the Western Canada and Quebec.
- Headwinds such as:
 - Over-regulation. Continue to engage and ensure decisions are made with consultation
 - Continue to advocate the importance of shortline and passenger railways
 - To be more proactive when it comes to public opinion and proximity issues
 - Plan for COVID-19 economic recovery.
- RAC's top priorities that continue to drive on a day-to-day basis are
 - ETC in which the RAC will continue to have dialogue with members and move forward with the implementation and regular dialogue with TC

- Government support on infrastructure build and renewal especially for shortlines, passenger and freight railways
 - Continue to work closely with TC regarding grade crossings
 - Continue to focus on proximity initiatives as well as Operation Lifesaver to bring great opportunities with municipalities.
- Fiona Murray commented that the RAC has an important role with the new Minister of Transportation and possible new Chief of Staff.

6. **ROUNDTABLE DISCUSSION**

RAC's next board meeting and AGM will be May 12th, 2021 virtually.

7. **ADJOURNMENT**

Adjournment
There being no further business, it was moved by Corina Moore, ONR and seconded by Cynthia Garneau, VIA Rail that the meeting be adjourned.

Action Items
1. The RAC to create a sub-committee through SOMC to ensure safety for rail workers.

2.1 APPROVAL – MINUTES OF BIENNIAL MEETING**Resolution 2021: Minutes – January 28, 2021 Biannual Meeting**

It is moved by _____ and seconded by _____ that
the Minutes of the Biannual Board of Directors meeting held by teleconference on Thursday,
January 28, 2021 be taken as read and approved.

3.1 ELECTION OF A NEW CHAIR

Resolution 2021: Election of a new Chair

Whereas Fiona Murray, CN, who was elected Chair of the Board of Directors on May 13, 2020, has resigned as Director and Chair as a result of her retirement from CN, and taking into consideration that Sean Finn, CN, has acted as Chair since then, and has shown interest to remain as Chair until the next regular board meeting.

It was moved by _____ and seconded by _____ to accept Fiona Murray's resignation and to elect Sean Finn, as Chair of the RAC Board of Directors until the next regular Board meeting.

3.2 **PROPOSED RAC DIRECTORS**

Resolution 2021: Election of Directors

Whereas, Gord Peters, Cando Rail & Terminals Ltd. re-elected on the Board as director in May of 2020 for a two-year term, will not be renewing this term;
It was moved by _____ and seconded by _____ to accept Gord Peter's decision to not renew this term and to fill this vacancy by appointing Brian Cornick, Cando Rail & Terminals Ltd, as member of the RAC Board of Directors, to hold office for the remaining term which expires May 2022;

Whereas Fiona Murray, CN, appointed to the RAC Board of Directors on May 13, 2020, has recently offered her resignation as Director and taking into consideration that Cyrus Reporter, CN has indicated his interest in becoming RAC director of the board; It was moved by _____ and seconded by _____ to accept her resignation and to fill this vacancy by appointing Cyrus Reporter, CN as member of the RAC Board of Directors, to hold office for the remaining term of Fiona Murray which expires in May 2022.

Taking into consideration that the mandates, as Directors, of Sean Finn, Robert Taylor, Cynthia Garneau, Louis Gravel, and Phil Verster, will expire in May 2021;
It was moved by _____ and seconded by _____ to recommend to RAC members that Sean Finn, Robert Taylor, Cynthia Garneau, Louis Gravel, and Phil Verster be elected for a two-year term, to expire in May 2023, with the effect that the new Board would be as follows:

PROPOSED DIRECTORS	END OF TERM
Sean Finn, CN (Chair)	May 2023
Robert Taylor, CP (Vice-Chair)	May 2023
Cynthia Garneau, VIA Rail Canada	May 2023
Louis Gravel, SFP Pointe-Noire	May 2023
Phil Verster, Metrolinx	May 2023
EXISTING DIRECTORS	END OF TERM
Jeff Ellis, CP	May 2022
Brian Cornick, Cando Rail & Terminals Ltd	May 2022
Corina Moore, ONR	May 2022
Gerald Linden, SRY	May 2022
Cyrus Reporter, CN	May 2022

3.3 **ELECTION OF OFFICERS**

CURRENT:

- CHAIR: Sean Finn, Executive Vice President, Corporate Services and
Chief Legal Officer, CN
- VICE-CHAIR: Robert Taylor, Assistant Vice President, North American Advocacy
CP
- PRESIDENT: Marc Brazeau, President & CEO
Railway Association of Canada
- SECRETARY: Caroline Healey, Executive Vice President & General Counsel
Railway Association of Canada
- TREASURER: Sandra Kazaka, Vice President, Finance & Operations
Railway Association of Canada

Resolution 2021: Election of Officers
It is moved by _____ and seconded by _____ that the proposed election of officers be adopted.

Competition Law Compliance Policy

STATEMENT

~~The RAC believes in fair competition for businesses in the transportation sector and for their customers.~~

The RAC is committed to compliance with all competition laws applicable in Canada, including Canada's Competition Act.

Under the leadership of its Board of Directors, the RAC carries out its activities, ~~in a way as to not prevent or lessen competition in strict compliance with all competition laws~~, provides guidance to its committees and its employees on how to comply with ~~applicable competition these~~ laws, and promotes with them the importance and value to the RAC of complying with ~~them competition laws~~.

The RAC Corporate Secretary ensures that RAC, its committees and its staff are familiar and comply with this policy.

COMPETITION LAW

~~The thrust of e~~Competition laws is are designed to maintain and encourage competition in the market-place ~~and as a result to prohibit any act or agreement that might lessen competition~~. Non-compliance with the competition laws relating to improper coordination among competitors could constitute a criminal offence to which significant fines and prison terms can ~~might~~ be attached, and for which significant damages can be awarded in private lawsuits, including large class actions.

RAC is a forum for railway members to exchange information and views on the railway sector. Particularly because RAC is an association that represents most of the players in the rail sector in Canada, including many that compete with one another, any activity it conducts must be in strict accordance with the competition laws, and avoid even the perception of possible improper conduct ~~that might have the result of lessening competition or might be perceived as such should be carefully scrutinized~~.

PROHIBITED ACTIVITIES

~~Due to the presence of multiple competing entities in RAC, Any~~ activity, including discussions or agreements that relate, directly or indirectly,s to the following "Prohibited Topics" ~~issues could result in the lessening of competition and as such is are~~ strictly ~~not allowed~~ prohibited:

- ☐ Prices (rates) charged to shippers for services provided by members of the RAC
- ☐ Prices (costs) paid to suppliers for services provided to members of the RAC
- ☐ Any other conditions associated with services provided to shippers or received from suppliers of RAC members, including discounts, rebates, etc. and level of service provisions
- ☐ Customer or territory allocation
- ☐ Limitation of supply of services provided by RAC members to their customers

GUIDANCE

Any activity, including discussions or agreements that could even remotely be construed as ~~being an agreement or arrangement covering issues that could prevent or lessen competition~~ relating to the above Prohibited Topics, cannot take place at the RAC or any of its committees or any meeting organized or attended by RAC staff, or otherwise among RAC members.

To ensure compliance with these rules, w~~hen~~ meeting, members of a RAC committee or of the Board of Directors ~~should~~ must:



- ☐ Have a pre-set agenda and take minutes, recording resolutions adopted and summarizing the essentials of conversations that took place.
- ☐ Limit themselves to issues identified on the agenda, except if circumstances call for other issues to be addressed, in which case careful notes of the additional issues discussed must be recorded.
- ☐ If any participant believes that Prohibited Topics have been raised or discussed, they must advise all participants of their concern and any discussion relating to that issue be ceased immediately pending legal advice.
- ☐ Require legal ~~assistance~~ advice if any issue to be discussed might cause the members to believe that **competition laws** could be infringed.
- ☐ Suspend or even postpone to a later date discussions on such issues if legal advice cannot be sought in a timely manner.
- ☐

Staff of the RAC shall in their duties ensure the confidentiality of information brought to their attention by members, avoid conflict of interest or situations that would discredit the RAC, unless doing so could violate the **competition laws**.

Board of Director Meeting – May 12, 2021

3.4 **APPROVAL – COMPETITION LAW COMPLIANCE POLICY REVIEW**

Resolution 2021: Competition Law Compliance Policy Review
It is moved by _____ and seconded by _____ that the Competition Law Compliance Policy Review be taken as read and approved.

4.1 SAFETY AND OPERATIONS MANAGEMENT COMMITTEE (SOMC) UPDATE

The Committee met virtually on May 11, 2021.

Discussions on several ongoing operations & regulatory affairs actions and initiatives took place, including ETC, *Canadian Rail Operating Rules (CROR)*, Ministerial Orders and COVID related matters.

Presentations and Discussions

Enhanced Train Control

Dr. Michael Hendry, P.Eng. and Professor at the University of Alberta, provided a presentation on ETC on behalf of the RAC Working Group.

Transport Canada - Rail Safety

Mr. DeJong, Director General, provided a presentation on the current Transport Canada Rail Safety directions and priorities.

Transportation Safety Board

Mr. Lapointe, Chief Operating Officer and Mr. Tréboutat, Director Investigations Rail/Pipeline, provided a presentation on Rail Accident Trends, impact of LVVR and classification of occurrences.

Oliver Wyman

Mr. Lortie is a Partner at Oliver Wyman based in Montreal and is Oliver Wyman's Market Leader for Canada. He also leads its Transportation & Services Practice in the Americas and is a member of the firm's Global Leadership Council.
Ms. Mahbubani is a Principal based in the firm's Montreal office, specializing in the Transportation space.

Association of American Railroads

Mr. Rush, Senior Vice President, provided a presentation on the current key operating, safety and regulatory priorities in the United States and with the AAR.

Reports of Committees

Various RAC committees provided summary reports on their recent developments and activities. The reports are included in the SOMC package.

The Border Committee provided a summary of current customs issues that the RAC is engaged with either directly or through its representative membership in the AAR Transborder Committee and the AAR/RAC EDI Rail Customs Task Force.

The Dangerous Goods Committee provided a written report containing various TDG Regulations and Standards and their status.

The Environment Committee written report provides status updates and developments pertaining to the following: Clean Fuel Standard (CFS), Rail Pathways Initiative, *Cross-border Movement of Hazardous Waste and Hazardous Recyclable Material Regulations*

The Mechanical Committee report provides a summary of loading securement developments in Canada.

The Medical Committee's report provides update on status of planned work for 2021, of which the majority has been put on hold as priorities of medical staff has shifted to address the COVID-19 pandemic. As such, activities of the Medical Advisory Group (MAG) have been suspended but are still planned to resume in 2021.

The Operating Rules Committee provided a written report on on-going work to update multiple operating rules of the *Canadian Rail Operating Rules* (CROR).

The Proximity Committee provided a written summary of their various initiatives and continues to work with stakeholders to raise awareness of rail safety and to promote the adoption of the *Guidelines for New Development in Proximity to Railway Operations* by municipalities and provincial governments across the country.

The Safety Culture Committee provided a written report on work completed pertaining to completing safety culture assessments in partnership with Railway Association of Canada (RAC) member companies; developing tools and guidance material to improve safety culture in the railway industry; and Educating/informing government officials and stakeholders about the importance of safety culture within the railway industry.

The Security Committee provided a written report on various security matters including the new passenger related regulations under the Railway Safety Act which has been issued by Transport Canada. The members of this Committee also continue to actively engage with TC to provide input on what is being considered as opportunities arise but there has been minimal interaction at the industry level in the last 6 months.

The Wireless Communications Committee provided a written report regarding the CRTC 2019-57 Consultation, Spectrum-E Management Application, Enhanced Train Control (ETC)/Positive Train Control (PTC), Metrolinx Dispatch, US 900 MHz Re-Banding, RAC WCC Committee Organization.

Other

Operation Lifesaver provided a written report on its key activities and deliverables from January 2020 – May 2021 which includes: OL's 40th Anniversary, #STOPTrackTragedies campaign, Municipal Outreach: New Animated Videos, *Today is Better — Ça Va Mieux* Campaign, and Rail Safety Week – September 20-26, 2021.

Workforce Development provided a written report on the activities of the RAC Human Resources Committee. They are in the process of creating new industry-approved curriculum for conductors that will be issued to approved colleges across Canada this year. RAC, CN, CP and RAC's consultant have been working on the curriculum throughout 2020 and plan to have the curriculum finished by the Fall.

Regulatory Affairs and other Operations Initiatives

RULES

Canadian Railway Operating Rules (CROR)

Three Ministerial Orders issued requires changes to the CROR. MO 20-09 issued September 29, 2020, with a filing date of June 1, 2021 requires railways to revise the CROR to incorporate provisions governing switching operations. MO 21-01, issued March 10, 2021, pursuant to section 32.01 of the *Railway Safety Act* (RSA), and came into force immediately, requires railways to implement certain safety measures outlined in the Order which are designed to ensure that an accident caused by the unintentional release of the air brakes does not reoccur. MO 21-02, issued March 10, 2021, with a filing date of March 10, 2022, requires railways to amend the *Railway Locomotive Inspection and Safety Rules* and the CROR to include setting performance standards for locomotives equipped with roll-away protection, and revisions that will clarify when a train is unattended and must be secured as per the rules.

Roll-Away Protection Rule

In response to a Technical Bulletin on Rollaway Protection, the RAC held a series of discussion with Transport Canada (TC), where it was agreed to a two-phased approach to revise the *Locomotive Inspection & Safety Rules*. The first phase, which was filed with TC on October 25, 2019, entails the deletion of Section 13.2b – the incorporation by reference of the *Association of American Railroads Standard* (AAR S5513) to address overlapping and inconsistent requirements between the rule and the reference.

Phase 1 received approval on February 14, 2020, on condition that it will not come into effect until both phases are approved by the Minister of Transport. Phase 2 will articulate the requirements under s.13.2c for different locomotive types with rollaway protection that are being used as a secondary means of securement as defined under Rule 112 of the *Canadian Rail Operating Rules*.

The RAC working group had several exchanges and virtual meetings with TC staff to discuss TC's comments and concerns on the RAC's White Paper on Rollaway which was submitted in the Fall of 2019. Following these exchanges and meetings, the RAC submitted a revised White Paper on Rollaway to TC on June 30, 2020. The submission also included a detailed analysis of the proposed Rollaway Protection operational parameters and thresholds and a detailed risk assessment of the proposed rule modifications.

On February 17, 2021 Transport Canada provided their feedback on the RAC's White Paper, and following a Goderich - Exeter Railway train incident, TC issued 2 ministerial orders, one of which, MO 21-02, issued on March 10, 2021, requires railway companies and local railway companies to amend the *Railway Locomotive Inspection and Safety Rules* and the *Canadian Rail Operating Rules*. The amendments should include setting performance standards for locomotives equipped with roll-away protection, which is a feature designed to apply the air brakes when movement is detected, and revisions that will clarify when a train is unattended and must be secured as per the rules.

The RAC working group will soon develop revisions to the rule to meet the MO's requirements

Track Safety Rules

Ministerial Order (MO) MO 20-07, issued April 1, 2020, required railway companies to revise the *Rules Respecting Track Safety* (TSR) and identified three Phases to revise the Rules.

Phase 1 scope includes, training, Qualification and Quality Assurance; Continuously Welded Rail Management; Track Geometry; Rail Wear Management; and Rail Surface Management.

Phase 2 scope includes track inspection frequency & automated track inspection technology

Phase 3 scope includes structures & other requirements.

The filing dates for the 3 phases is as follows: Phase 1 (April 1st, 2021); Phase 2 (Oct 1st, 2021); Phase 3 (April 1st, 2022).

Phase 1 proposed revisions to the rules were filed on April 1, 2021. The RAC's working group are currently working on phase 2 revisions.

Duty and Rest Period Rules

A new *Duty & Rest Period Rules for Operating Employees* (DRPR) came into effect November 25, 2020. The new DRPR is based on the latest fatigue science principles and provides new limits on the length of the duty period, increases the length of minimum rest period between shifts, and introduces a rest break that provides the employees with a minimum amount of time away from work. The new DRPR provides for a phased-in compliance plan, with full compliance by 30 months from coming into force of the rules for freight railways, and 48 months from coming into force of the rules for passenger railways. In support of the implementation of the new DRPR, the RAC and its working group are coordinating and responding to questions to clarify inquiries from members that arise as the implementation progresses.

Rules Respecting Key Trains & Key Routes (KT/KR Rules) – MO 20-06

On April 1, 2020, Ministerial Order MO 20-06 was issued requiring railway companies to amend the *Rules Respecting Key Trains & Key Routes* to address requirements outlined in the MO which includes speed restrictions, requirements for continuous welded rail and requirements for replacement rail. The proposed revised rules were filed on December 24, 2020 and were subsequently approved by TC last February 2021 with an effective date of August 22, 2021. The revised Rules provide a temperature-based speed restriction and provides for exceptions to speed restrictions for companies that develop and adhere to Winter Operation Risk Mitigation Plan.

REGULATIONS & OTHER

Grade Crossings

A new *Grade Crossing Regulations* came in force as of November 27, 2014. Railways are required to achieve full compliance within 7 years (November 27, 2021). Transport Canada's goal for this new regulation was to provide consistent grade crossing safety standards that would improve enforcement capabilities. It also includes a definition of roles, responsibilities and collaboration between road authorities and railway companies.

The RAC and industry formed a working group and have had important progress towards the compliance with the new Regulations. However, and as initially indicated to Transport Canada in the Fall of 2017, achieving full compliance with the Regulations by November 2021 is almost impossible due to the lack of crossings data that were to be provided by road authorities, and the significant challenges and issues encountered in the field.

Discussions have been ongoing with Transport Canada to consider some regulatory relief. Transport Canada is aware of, and understands, the challenges encountered by the railways, and are considering an application for regulatory relief with support from the industry. It is our understanding that the relief under consideration includes:

- Change the scope of the regulations so that defined low-risk crossings don't need to meet all requirements; and
- Extend the deadline using a risk-based approach for all grade crossings (one year for high-risk grade crossings and three years for all other crossings).

Transport Canada indicated that it is expecting to finalize their decision and proceed with the required regulatory process for the relief in the summer of 2021.

Locomotive Voice and Video Recorder Regulations (LVVR)

On September 2, 2020, the *Locomotive Voice and Video Recorder Regulations* (LVVR) has been published in the Canada Gazette, Part II. The Regulations come into force on September 2, 2022 – the second anniversary of the day of publication.

<http://gazette.gc.ca/rp-pr/p2/2020/2020-09-02/html/sor-dors178-eng.html>

The regulations will provide data about in-cab operating employee actions that are not otherwise available and will further be useful in providing proactive data to strengthen safety management systems and prevent accidents and incidents by providing the opportunity to mitigate risks before accidents occur.

Transport Canada has prepared draft guidance material to complement the Regulations and will be posted on their website. The RAC is coordinating discussions with Transport Canada to obtain clarifications to certain regulatory requirements and to address identified implementation issues.

ENHANCED TRAIN CONTROL (ETC)

Refer to detailed report under a separate section.

GUIDELINES, BULLETINS & OTHER DOCUMENTS ISSUED BY TRANSPORT CANADA (TC)

Transport Canada issued a *Culvert Safety Management Guideline* and the RAC provided feedback on the proposed guidelines and is continuing discussions with Transport Canada on these guidelines so as Transport Canada can finalize and post them on their website.

COVID-19

RAC continues to work closely with members and Transport Canada to identify issues related to the Covid-19 pandemic and ensure they are adequately addressed. Transport Canada has granted a set of temporary exemptions to certain sections of the rules and regulations, pertaining to the qualification of railway personnel.

In January 2021, the RAC addressed a letter to the Chair of the National Advisory Committee on Immunization urging them to work with the provinces to prioritize the immunization of essential railway employees, that will help ensure that Canada's supply chain and essential passenger transportation services across the country can continue to operate safely and without disruption.

The RAC is also working with Critical Infrastructure (CI) to identify opportunities to deploy/implement Government of Canada's initiative to provide rapid tests for regular workplace screening of close-contact workers in critical industries

Transport Canada continued with its Ministerial Order to require passenger railway companies to conduct a health check, as described in the order, of every person prior to their boarding the railway equipment. This order is in effect until May 31, 2021.

Enhanced Train Control (ETC)

Steering Committee

Working Group

Tom	Brown	CN	Jean-Francois	Allaire	VIA Rail Canada
Thomas	Casselman	Metrolinx	Michelle	Ardron	VIA Rail Canada
Keith	Shearer	CP	Zvonko	Trajkovic	VIA Rail Canada
Michael	Brankley	VIA	Dwarak	Punja	Metrolinx
Caroline	Healey	Railway Association of Canada	Tony	Wu	Metrolinx
			Charles	Cleary	CN
			Mathieu	Ducharme	CN
			Tim	Pulak	CN
			Ravi	Raj	CP
			Anmesh	Tanwer	CP
			David	Thurston	CP
			Cory	Wogrinc	CP
			Michael	Hendry	Railway Association of Canada / University of Alberta
			Scott	McDade	Railway Association of Canada
			Magdy	Fahmy	Railway Association of Canada

The Railway Association of Canada's (RAC) Enhanced Train Control (ETC) program, consisting of representatives from Freight and Passengers railways, has been working to coordinate the development of ETC systems to address the safety concerns which resulted in TSB recommendations; and, to proactively address the recommendations of the 2018 Review of the *Railway Safety Act* in a manner that results in an ETC system(s) that meets the needs of the Canadian railway industry.

Transport Canada (TC) has continued to indicate that the implementation of an ETC-like system is a high priority for rail safety. The industry's objective of avoiding imposed rules or regulations requires a reasonable rate of progress in the ETC development. The industry continues to meet with Transport Canada and is able to demonstrate progress. Transport Canada has requested a common risk threshold for where ETC systems are required as well as the level of functionality deployed, this will require quantitative risk assessment for which CaRRL has been engaged. The industry continues to push Transport Canada for support in securing the communications necessary, and funding required, for ETC implementation.

In order to complete the development of Standards and Interface Control Documents (ICDs) within a reasonable timeframe, five additional committees have been established to focus on specific segments of the ETC system. The current organization for this industry effort is made up representatives from CN, CP, Metrolinx and VIA structured into six groups:

- A Steering Committee (SC) with representation of senior management to provide direction for the development of ETC;
- A Lead Team (LT) which consists of subject matter experts and supplemented by external experts. The LT is responsible for developing and maintaining the vision for the overall system, specifying the high-level functional decomposition and system requirements. The LT provides oversight and coordination of the subcommittees;

- A Safety and Risk Committee (SRC) responsible for, and interfaces with all committees, for the development of the system and subsystem safety requirements and safety assurance of the developed ETC system;
- A Back-Office Committee (BOC) which, in addition to the Back Office system and subsystem requirements, is responsible for the structure of dynamic and static data;
- An Onboard Committee (OC) responsible for the development of onboard system and subsystem requirements for locomotive sensors and display;
- A Wayside Committee (WC) responsible for wayside system and subsystem requirements for signals, switches and track circuits;
- A Communications and Security Committee (CSC) that interfaces with all committees, is responsible for the development of communications system and subsystem requirements, system security and ICDs.

Terms of Reference which includes roles and responsibilities of members as well as the specific mandate for each committee have been developed. A Lead and alternate have been appointed and ongoing meetings established for each committee. Currently, the committees are identifying existing standards and ICDs from other jurisdictions that could be reused for ETC.

An experienced Senior Project Manager has been hired and will be working closely with each of the committees in order to validate assumptions, revise as required and monitor progress towards the ETC multi year-plan.

Border Committee

Mike	Tamila	CN
Allan	Schepens	CP
Caroline	Healey	Railway Association of Canada

The following update describes current customs issues that the RAC is engaged with either directly or through its representative membership in the AAR Transborder Committee and the AAR/RAC EDI Rail Customs Task Force. **These initiatives have all carried over from 2020 into 2021, with limited issues resolution in 2020 due to impact of COVID on government agencies and trade.**

CBSA

There are multiple initiatives currently underway with CBSA that affect rail that we are monitoring closely and for which we are engaged on the issues and that we progress through CBSA committees and working groups. **For 2021 there is a new issue tabled under e-House Bill, and one new subheading related to train crew reporting.**

The following are the CBSA related committee meetings for 2020 – 2021 that the RAC was represented either in person or via teleconference:

- Border Commercial Consultative Committees (BCCC) collective
- BCCC E-House Bill Working Group
- CBSA Assessment and Revenue Management (CARM) Working Group
- BCCC Canadian Export Reporting System (CERS)/Working Group
- PreClearance Working Group
- BCCC Rail Working Group
- North American Plant Protection Organization (NAPPO)
- ***CanAM Border Trade Alliance (Ottawa session) was not held due to COVID-19

E-House Bill

CBSA's E-House Bill project is part of larger E-Manifest initiative that includes rules on electronic reporting of cargo that is either being imported to, or transiting Canada, for all modes of transport. Updates are provided for each of the e-House Bill items, and each of these is ongoing. Implementation of new reporting requirements of E-House Bill and CBSA system enhancements had been delayed to November 1, 2020. All of these initiatives are currently underway.

E-House Bill elements that currently affect rail:

1. CBSA release of rail shipments on a secondary **Freight Forwarder 8000 Manifest**.
2. Inclusion of a **CBSA Sublocation Code** on rail cargo EDI arrival messages to CBSA.
3. Inclusion of a **Consolidated Load Indicator** on CBSA rail manifests for transborder cargo.
4. **NEW for 2021:** **Electronic Arrival of Truck Manifest** at rail intermodal facility.

- 1) **Freight Forwarder 8000 Manifest:** This long-awaited process automation by CBSA will benefit Canadian rail carriers. Import ocean containers traveling by rail from Canadian marine ports to inland ports in-bond typically do so on the marine carrier's primary manifest (9000). Canadian rail carriers handle thousands of these import shipments each week (largely CN and CP). Under Canadian regulation, each one of these containers requires some type of release or "acquittal" against the marine 9000 manifest in order for the rail carrier to allow the container out of the rail terminal gate without risk of CBSA penalty. CBSA allows Freight Forwarders to post a secondary manifest (8000 series) against the primary 9000 marine manifest as a form of gate release, essentially assuming liability for the shipment, however this is a paper process requiring CBSA stamped documents being

forwarded to the rail company. There are hundreds of containers each week affected in this way and requiring manual processing by rail carriers. This automation by CBSA will match the primary and secondary manifests in their internal system and provide an electronic release message to rail carriers.

UPDATE: Although CBSA's electronic processing of freight forwarder manifests at rail facilities is generally going well, an issue has been identified with CBSA's system that is causing daily additional manual work for rail carriers and the freight forwarder community. Specifically, a timing issue has emerged with the CBSA electronic processing of freight forwarder manifests where if the freight forwarder transmits their documents prior to the rail company electronically transmitting a cargo arrival message, the rail carrier will not receive an electronic release message authorizing an out-gate. Since the rail carrier will not have visibility to the issue the work-around process is to have the freight forwarder notify the rail carrier of disconnect in electronic processing, whereby the rail carrier then needs to notify local CBSA to manually create a cargo arrival in their system. This is a priority system fix for CBSA and they expect resolution by summer 2021.

- 2) **CBSA Sublocation Code:** CBSA's Sublocation Code is a code that identifies the specific location of cargo within an inland Canadian port of entry. Rail carriers will need to provide this code on their EDI cargo arrival message that is transmitted to CBSA, advising at which specific rail yard or terminal a bonded shipment has arrived at. Additionally, the sublocation code on the arrival message must match the code that is supplied on the carrier manifest, otherwise CBSA will not provide an electronic release of the cargo. System programming on the part of the rail carrier is required. In the case where a transborder rail carrier transmits both the manifest and cargo arrival EDI messages to CBSA there should be no issue. In the case of marine containers where cargo moves in-bond on the marine carriers, those carriers will need to ensure they include the correct sublocation code on the marine 9000 manifest that they transmit to CBSA, otherwise the cargo will not release. Rail carriers and marine carriers (being the rail customer) will need to be closely coordinated with this item in order to avoid cargo delay and rail intermodal terminal congestion.

UPDATE: There are business complexities with having marine carriers, rail carriers, and freight forwarders being synchronized and referencing the same Sublocation Code that is required for an automated release of import marine containers. Although generally the CBSA release process for these common shipping scenarios works fairly well, there are instances where these data streams don't properly align and cause delays to release of containers from rail intermodal terminals, or result in a freight forwarder not receiving the proper disposition from CBSA, and these are being raised by CIFFA (Canadian Importers and Freight Forwarders Association) industry representatives. In these cases, manual intervention of an automated system is required. These items are addressed through joint industry forums with CBSA and through direct communication between the affected parties. As the process matures it is expected that these types of issues between trade chain partners will be reduced.

- 3) **Consolidated Load Indicator:** Part of the E-House Bill roll out on November 1st will be a requirement for rail carriers to transmit an indicator on the transborder rail manifest when a Freight Forwarder is involved with the cargo release in Canada. This would typically apply to intermodal containers arriving in North America at a US ocean port and then transit the US to Canada. In the case of rail this intermodal traffic would typically be interline business where a US railroad is loading containers at a US port and then interchanging with a Canadian transborder rail carrier. At this point it is largely CN and CP that are affected. The ocean carrier would need to transmit the consolidation indicator to the US origin road who would then provide it on the interline waybill (EDI 417). The Canadian transborder carrier maps this piece of data to their EDI manifest that they transmit to CBSA. If the indicator is not present, and a Canadian Freight Forwarder is involved with the cargo handling, then CBSA will not release the cargo. The result will be delayed freight and a penalty potentially issued to the importer or Freight Forwarder.

UPDATE: This new data requirement has meant rail shippers and their related freight forwarder partners have had to adjust their system and business processes which has generated some joint industry discussion to ensure cargo release fluidity. There have been a few customs release issues causing slight delays to container freight, however the process is generally working well.

- 4) NEW: Electronic Arrival of Truck Manifest:** CBSA regulations require that Suffernance Warehouses (i.e. bonded rail yards and terminals) transmit electronic manifest arrival messages to CBSA, this includes for in-bond truck shipments (typically from the US) that arrive at a rail intermodal terminal. All modes of transport are required to be electronically transmitting manifest data to CBSA, however CBSA does not have an electronic link between the modes. As such, managing multi-modal shipment reporting can be problematic with a manual workload imposed by CBSA on trade partners in an otherwise electronic process. Rail carriers have pushed back on CBSA on this issue as we do not feel that trade members should be incurring the costs of manual entry into an electronic system reporting design that only benefits CBSA. Currently, and as a stop gap measure, local CBSA port offices are manually connecting and processing the disconnected reporting between the modes, however CBSA has telegraphed that this interim process does not meet the regulatory requirements. In informal discussions with CBSA leadership we explained that rail terminals are highly automated and in many cases there is no physical person to accept a paper document from a truck driver upon arrival of a container and then convert this into an electronic arrival message. We have, however, identified a way for the trade partners and CBSA to electronically link these documents which would require some system programming from both rail carriers and CBSA as a solution. This item will be formally tabled with the CBSA BCCC Rail Working Group.

CBSA Assessment and Revenue Management (CARM)

CARM is a redesign of CBSA's broker entry filing process for the release of goods and which will be hosted on a new system. The system will have a web portal frontend where all related parties, including rail carriers, will need to be registered. There are significant changes required to the broker community processes and systems, requiring more data earlier in their business process and more accurate reporting of shipment valuation and accounting. The risk that we have identified for rail carriers, and that we have raised with CBSA through the CARM working group in which we participate, is that if brokers have difficulty in the timely filing of their entries it can easily translate to unreleased railcars that will congest rail yards. CBSA was expecting to start piloting the new system in summer of 2020 with select brokers and importers, with a roll out date in Q2 2021, however due to the COVID pandemic there is no longer a firm date available. CBSA timelines for this initiative will be re-established at a post pandemic point.

UPDATE: CBSA is still targeting June 2021 for roll out of Release 1 of their client portal which is the new gateway for brokers and importers to manage their accounts with CBSA, including payment of accounts and querying import tariff items. Carriers, including rail carriers, will be invited to participate in the client portal process, by registering and thereby linking themselves to the shipper's release process, in June 2022. Enforcement dates for mandatory participation that impact rail is not yet published. There have been some conversations between the importing community and rail carriers raising concern that entry and release processing in CARM may delay customs release of rail shipments due to onerous requirement placed on importers by CBSA, however these claims have not been widely expressed and as of now are still unsubstantiated. We will be monitoring this closely.

Canadian Export Reporting System (CERS)

CERS is a new CBSA exporter reporting system that will replace their legacy CAED system and that will eliminate remaining paper export reporting. From a Canadian transborder rail perspective, these would essentially be goods that are destined to either Mexico or a US ocean port to overseas destinations. The implication has been that a rail carrier cannot have a shipment depart from Canada on train unless the exporter has first filed the export declaration with CBSA. The new CBSA CERS system will have some functionality that will change the sequencing of some of the data for rail shippers, however we have worked with CBSA on a solution that maintains a streamlined EDI data process between shippers and railroads with no change in the rail data structure.

CBSA started a limited exporter pilot in January 2020 and that was inclusive of potential rail shippers. Full participation of Canadian exporters was originally scheduled for June of 2020, but due to COVID-19 this date was extended to Oct 1st.

UPDATE: To our knowledge, there have been no issues reported by rail shippers regarding CBSA's and Canadian exporters migration to the CERS program.

Rail PreClearance Pilot

CBSA and CBP have been working with CN and CP on a rail preclearance pilot under the provisions of Bill C-23. This initiative is essentially a second tier to the Beyond the Border preclearance initiative that had CN participate in a pilot from 2012 to 2014 between Prince Rupert BC and International Falls MN as a proof of concept where CBSA at Prince Rupert inspected containers on behalf of CBP. The current rail pilot tested joint CBSA-CBP Large Scale Imaging (LSI) processing at Rouses Point NY, where CBSA officers from Lacolle QC coordinated with CBP officers from Rouses Point to view select northbound train images using CBP LSI equipment. This joint LSI testing occurred from summer 2018 to summer 2019. The next phase of the current pilot is expected to have CBSA officers stationed at a US location, such as Chicago, reviewing and potentially jointly inspecting rail cargo in collaboration with CBP prior to a shipment being added to a train destined to Canada. Additionally, a CBSA officer would have the ability to identify a shipment on a northbound train departing Chicago and then coordinate with CBP operating LSI equipment at the US border point of exit to view the image of the selected container. Preclearance of northbound shipments allow CBSA to meet mandates to review and inspect import rail shipments into Canada without the need to physically intervene at rail border crossing points, but rather either at the US point of origin or at the Canadian destination. COVID-19 has impacted any timetable that CBSA has on this initiative and we expect discussions to resume post pandemic.

UPDATE: This was a key discussion item on CBSA BCCC Rail Working Group virtual meeting that was last held on February 3, 2021. Rail Pre-Clearance in the US for shipments to Canada is still a top initiative for CBSA and they have been progressing talks internally and with CBP, however they have not been able to deploy resources to the identified CBP Chicago facility due to the pandemic. Once travel restrictions are removed it is CBSA's intent to move forward with establishing a Chicago based rail inspection pilot using CBSA officers. We raised the issue of other governmental department interests being addressed as part of the pre-clearance process to avoid having one agency clear a shipment for delivery while another agency has interest of holding or inspecting a rail shipment in Canada. CBSA acknowledged that the ultimate intent is to have all issues addressed at point of US origin with shipments cleared through to the Canadian consignee upon broker entry. Currently there is no reengagement date for the physical portion of the pilot.

CBSA Paper Re-Manifest Process

Although CBSA regulations require all modes of transport to transmit customs manifest information electronically they do not have the system functionality to electronically link manifest information when one carrier hands in-bond shipments to a subsequent carrier for furtherance. An example of this would be a highway carrier who imports a container into Canada, from the US, on a highway carrier's manifest and then delivers the container to a rail carrier for haulage to a Canadian seaport. The container would be transiting Canada "in-bond" and as such a transfer of liability would occur between the highway carrier and the rail carrier that is referred to as a re-manifest. All carriers transmit electronic manifests to CBSA, however in the case of re-manifested shipments described above the importing highway carrier must print a copy of their electronic manifest and provide it to the rail carrier who must then print a rail manifest, collate it with the highway manifest, submit it for manual processing, and then manually update the rail system. There are thousand of these truck/rail shipments that must be processed every month by rail carriers and CBSA offices across Canada creating significant and unnecessary manual workload and cost. CBSA acknowledges this deficiency and has expressed interest in building system functionality to address it, however there is no timeline established to date. We continue to lobby at various CBSA and industry forums to get this important issue addressed.

UPDATE: This was a discussion item on CBSA BCCC Rail Working Group virtual meeting that was last held on February 3, 2021. Tamara Allard, Director, Commercial Operations Division at CBSA indicated that there is some forward movement on this issue and that the agency is aware of the commercial impacts and has committed to keep moving forward towards resolution.

This item can be directly linked to the **New Item 4 of e-House Bill** above as it the system functionality will tie in truck and rail manifest and provide an electronic mechanism for reporting truck shipments into rail intermodal terminals.

NEW: CBSA/PHAC Crew Reporting

Historically, CBSA has not had in place a standard method of rail crew reporting across the more than 20 rail border crossing points between the US and Canada, largely due to remote operations where CBSA does not have an office at the physical border crossing point. With the emergence of PHAC rules for entering Canada in the face of COVID restrictions, standardized reporting to Health Canada became mandatory, including for essential service providers such as train crew members. PHAC has developed an app (ArriveCan App) that can be downloaded onto a cell phone or a desktop computer where personal crew information can be entered prior to a crew member crossing the border from the US into Canada. Problems were identified with this process in that crew members cannot use cell phones while on duty for rail safety reasons, and crew members do not always have access to a desktop computer prior to starting their train run from the US into Canada. Further, if a train crew member does use the ArriveCan App they are still required to communicate the authorization number returned on the app after their declaration to a CBSA officer prior to crossing the border, with the officer then entering the number into the PHAC system. This now becomes a problematic 2-step process. Alternatively, CBSA has been able to gather the information from crew members and then entering the information into the PHAC system, making this an efficient one step process. Recently there has been concern raised by CBSA that this is too onerous of a process for CBSA officers and a push by CBSA to have crew members go to the 2-step process. However our position is that since a CBSA officer has to access the PHAC system to record the crew member name and the ArriveCan App authorization number that this is not a burdensome task, and that it would be much burdensome for rail crews to have to communicate with 2 agencies and potentially delay trains by having to access a device on which to report to PHAC. This issue is still under review by CBSA.

CBP

There are several CBP developing regulations that affect rail that we are monitoring closely and are in close dialogue with the agencies to ensure rail interests are protected and that rail carriers remain compliant. The following are the CBP related committee meetings that myself and/or CP's Allan Schepens attended virtually on behalf of the RAC Since the last update in 2020:

- Customs Electronic Systems Action Council (CESAC)
- AAR Transborder Committee
- AAR/RAC EDI Rail Customs Task Force
- Commercial Customs Operations Advisory Committee (COAC) In-Bond Subcommittee
- COAC Trade Support Network In-Bond Technical Working Group
- ***CanAm Border Trade Alliance (DC session) was not held due to COVID-19

In-Bond Regulation

CBP implemented new in-bond regulations in July of 2019 that require the following:

1. The use of **FIRMS Codes** for reporting cargo arrivals at specific locations in the US
2. Carrier must use **Electronic Bond Diversion** to requests diversion of in-bond traffic while moving in the US.
3. The inclusion of **Harmonized Codes (HS)** in all electronic manifests.

FIRMS Codes

Rail carriers were encouraged, prior to the CBP rule coming into effect, to make programming changes to have this data element included in their EDI rail manifest for US in-bond traffic. As of this date CBP is processing the FIRMS codes if received on the EDI rail manifest, however they do not yet have a system edit in place to enforce use of this data element.

Electronic Bond Diversions

CBP is currently enforcing electronic bond diversions and rail carriers are in compliance.

HS Codes

Acquiring these codes and moving them electronically through the trade chain is very problematic due to

different carrier capabilities. This item is currently not being enforced and CBP has no timeframe available for enforcement.

CN is currently a member of the COAC In-Bond subcommittee, along with a representative from the Kansas City Southern railroad. This is a joint CBP/Industry group that is focusing on multimodal in-bond issues for all modes of transport, but that has a significant ocean/rail component. There are two key issues that affect how railroads in the US do business with ocean carriers that have emerged; the need for CBP to make release information for goods bonded to US inland locations to be available prior to train arrival the destination terminal (i.e. Chicago), and the marine carrier push for US rail carriers to manage the electronic release of ocean freight, similar to how rail carriers do this in Canada. The former issue would be welcome by Canadian transborder railroads, where as US railroads are not involved with the container release process at this time and would derive no benefit. US railroads are opposed to the latter issue raised by marine carriers as they are not the importing carrier of the ocean containers and it will require significant computer programming from them to comply. Canadian railroads who handle transborder in-bond containers into the US do not have an issue with this latter item as this is an existing requirement by CBP, given that the railroad is the importing carrier into the US.

UPDATE: No change on this item and no significant impact to rail carriers to date.

Rail Electronic Export Manifest

CBP has been working with rail industry for several years to develop system functionality that will have rail carriers transmit electronic export cargo and train data to CBP's ACE system. Rail carriers have been testing EDI manifest and train consist transactions with CBP for the last several years in a pilot environment, however CBP has not provided a mandatory participation timeframe in the rail EDI export program. There are potential benefits to automated export reporting, such eliminating paper processing of outward trains from the US with CBP and being to identify data and process issues early to avoid train issues at the border. However, there is risk that CBP targeting of export containers for inspection can increase.

Rail manifest data is derived from bill of lading data that is available to CBP shortly after the rail waybill is created. CBP has advised that electronic export data will be subject to both electronic and officer review as soon as received and can be used to hold shipments for inspection at the US border point of exit, thereby increasing border delays. Of particular interest to CBP is international container traffic that is destined to countries other than Canada and Mexico. Container traffic is a type for which inspections are most difficult to manage at border locations and could significantly affect both CN and CP who are large carriers of this traffic type. The rail industry's view is that data or inspection issues should be identified and managed by CBP as early as possible in the data exchange process, this in order to allow rail carriers to manage these issues at the US point of origin as opposed to at border. The rail industry, through the AAR, has requested that CBP address rail shipment inspections at US point of origin as a policy matter. CBP continues to work with the rail industry on both the electronic export requirements and related inspection policy issues, which are under review.

CN is in advanced stages of production test of CBP's export manifest system, having been in an operational phase of testing since May of 2020, and has not experienced any additional border delay as a result.

UPDATE: This initiative is progressing with all railroad with multiple rail carriers now engaged in the pilot. There are still some technical issues to work out with CBP's IT department regarding handling of bonded freight, and as well as new rail carrier export scenarios emerge CBP is working to fold these into the overall process. No date yet on mandatory participation in the pilot or future dates for electronic export reporting enforcement.

Electronic Crew Reporting

CBP has reinitiated discussions with the rail industry on CBP electronic crew reporting processes. Discussions to date have been very preliminary with very limited views by CBP on an overall approach. Confidentiality issues make it difficult to manage personal crew information through existing rail-customs transactional processes, as well as managing crew admissibility issues. The KCS/KCSM railroad has advised that they are currently in a pilot with CBP on crew reporting at the southern US border using FAST cards that are being scanned by trackside readers. While this approach can work with southern border railroads it is likely not optimal for northern border railroads for a variety of reasons, including crew management process, train operational requirements, and climate. This view by northern border rail carriers has been tabled with the AAR Transborder Committee for future dialogue with CBP. CBP has recently begun soliciting comments on electronic crew reporting and rail is expected to submit comments through the AAR.

UPDATE: No change on this item.

US Border Agriculture Inspections

This issue was discussed at the following committee meetings:

- CanAm Border Trade Alliance
- BCCC Commercial and Operations Committee
- Customs Electronic Systems Action Council (CESAC)

Containers Rejected at the US Border

Daily between 1500 and 2000 containers from overseas arrive at Canadian ocean ports that can transit over a thousand kilometers through Canada to arrive at the US border for continuance to US destinations. Every one of these containers is scrutinized by CBP and USDA/APHIS for pest, seed or solid wood packaging material issues which may make a shipment inadmissible into the US. These issues eclipse CBP security issues today. If CBP or APHIS officers identify pest or seed issues in a container at the US border, the affected container can be rejected by the US agencies and then must be transported back to the original Canadian ocean port for export back to country of origin. Prior to re-entering Canada, however, CFIA requires that the affected containers be fumigated prior to providing authorization certificates for movement through Canada. The cost of inspecting import containers at the US border, arranging for fumigation, and transportation to move rejected containers back to Canadian ocean ports is extremely expensive to all trade partners and the process is very disruptive to rail carriers who handle this business. Given that CFIA has the same concerns as CBP, which is evidenced by the fact that CFIA requires fumigation prior to allowing a US rejected container to transit back to Canadian ocean ports, CFIA needs to partner with USDA/APHIS to interdict on pest issues at the time that containers first arrive at Canadian ocean ports. The RAC is pushing this agenda item through various customs industry forums including the BCCC subcommittees, the CanAM Border Trade Alliance and CESAC.

Starting in 2020, CN and CP were invited to join the North American Plant Protection Organization (NAPPO) working group by CFIA. This group is made up of the Canada, US, and Mexico agricultural agencies and trade representatives. Part of this group's focus is on compliance with ISPM-15 Solid Wood Packaging Material (WPM). In North America, issues related to WPM have become a significant part of border enforcement to prevent the spread of pests arriving from overseas in containers and that burrow into the solid wood used in pallets and blocking/bracing and subsequently cause significant ecological damage (trees, crops, etc.). These joint government/trade committee discussions tie directly into the larger agriculture related issue faced by Canadian rail carriers at the US border, and the need to push these back to the North American perimeter.

NOTE: No change on this item. We continue to work with the related agencies and participate in the NAPPO working group (monthly calls) to progress rail interests on resolution of agricultural inspection issues.



Dangerous Goods Committee

Christine	Gatti	CN, Chair
Jim	Kozey	CP, Vice Chair
Normand	Adams	Genesee & Wyoming
Guy	Langis	Ontario Northland Commission Transportation
Ryan	Paine	Southern Railway of British Columbia
Sylvain	Brière	Genesee & Wyoming Canada
Andy	Ash	Railway Association of Canada

The RAC Dangerous Goods Team (DGT) is currently operating under a RAC mandated travel ban (apart from emergencies) due to the COVID-19 pandemic.

NOTE: A Standard Operating Guideline (SOG), has been developed for required travel outside of emergencies with the travel ban. This SOG is referred to as **DG-COV-001, RAC DG Team Travel Guideline for COVID-19. For emergency travel, the DGT is in possession of a “Letter of Access” from the RAC and Transport Canada.** This allows RAC DGT to travel amid COVID-19 restrictions.

The three RAC Transportation of Dangerous Goods Specialists (TDGS), based in Montreal, Toronto and Edmonton currently have the following objectives for 2021:

- The DGT works under the auspices of the RAC Dangerous Goods Committee.
- Work with Shortline railway members by providing regulatory updates and provide DG operational advice. (e.g. DG tank car storage, employee training) **NOTE: TDG Training is available to RAC Member Railways virtually.** Some online sessions have taken place for member railways.
- Project ERP (Emergency Response Plan) template has been sent to Shortline railway members. This template is an optional tool for railway emergency planning. Training for shortlines to use the plan has been temporarily postponed, this is still planned for 2021. ICS-100 – Incident Command System training for RAC members is presently available on the RAC members website.
- Railway Emergency Response training – two 40-hour courses are normally scheduled to take place at the Justice Institute of British Columbia in June and September. The June course has been cancelled due to pandemic safety concerns. The viability of the September course is currently being analyzed. **NOTE:** JIBC management is currently not allowing field rentals at the Maple Ridge Fire and Safety campus to third party users.
- Conducting TRANSCAER® activities – on-site activities have mostly been suspended. Some activities are planned in Quebec and Ontario.
CIAC and RAC have produced a V/R tool that incorporates a training tour of the CCPX911 that currently resides at the Fire and Emergency Services Training Institute (FESTI) at Toronto Pearson airport. This tool can be used for TRANSCAER operations remotely with first responders. This is an available option to adapt to COVID-19 travel restrictions.
- Continue to supply training services to member plants (shippers). Some virtual training has been conducted.
- Continue to maintain an operational readiness, 24/7, for RAC members in the event of a dangerous goods incident. There been assistance rendered at one-member railway incident presently in 2021.
- Committee work: **NOTE: all currently operational, but, virtual.**
 - **AAR Tank Car Committee** – past Chair and voting member.
 - **AAR Security Working Group** – member.
 - **TRANSCAER®** – National and Regional – railway member.
 - **TEAPIII** – Transportation Emergency Assistance Plan, Executive and Editorial Board – member and Assessment Team Leader.
 - **CERCA** – Canadian Emergency Response Contractors' Alliance - stakeholder member.

- **ERAC Executive Committee** – Emergency Response Assistance Canada – railway member.
- **GPAC** – General Policy Advisory Council – railway member representing RAC Shortlines.
- **TC subcommittees** on ER Training, Classification, Electronic Shipping Documents, Curriculum and Facilities – railway member.
- **MACTDG** – Multi Association Committee on TDG – railway member.
- **CIAC Safety Train Committee** (development and construction of the new training tank car) – member and Sub-Committee Chair.
- **Transport Canada Rail Security Working Group** – railway member.
- **RAC Dangerous Goods Committee** (facilitator)
- **RAC Security Committee** (facilitator)

Canada: *Transportation of Dangerous Goods Regulations, Standards, Other Initiatives*

- **Notice – Publication of updated Transport Canada standard Containers for the Transport of Dangerous Goods by Rail TP 14877 (January 2018)**

Transport Canada has engaged the CGSB to carry out the process to revert the TP14877

Transport Canada standard back to a CGSB National Standard of Canada.

The CGSB Committee will be tasked to review the existing Transport Canada standard and to develop a National Standard of Canada that will continue to support the Transportation of Dangerous Goods Regulations. On April 15, 2021, a second working DRAFT was published incorporating 179 comments from 16 member of the committee. The RAC is represented on the Committee. (Ongoing)

- **Consultation on the International harmonization updates to the *Transportation of Dangerous Goods Regulations***

Transport Canada is currently consulting on proposed amendments to the *Transportation of Dangerous Goods Regulations* (TDGR) to harmonize, where possible, with the most recent changes in the UN Recommendations (20th Revised Edition), ICAO TI (2019-2020) and IMDG Code (2018). Publication in the Canada Gazette, Part II planned in spring 2021.

- **Client Information Database (CID) Consultation**

Proposed Scope for TDG CID: Any person who imports, offers for transport, handles, or transports dangerous goods in Canada is required to register with TC via TDG CID. Registrants are required to provide their basic identifying information (e.g., legal business name, DG site addresses, etc.) and risk-relevant information on specific DG activities (e.g., UN numbers, types and frequency of DG activities, type and volumes of DGs involved, etc.); and stakeholders are required to renew their registration at regular intervals to ensure TDG CID remains up to date and accurate. Due to unforeseen pandemic measures the new forecast is:

- Legislative changes in the *Transportation of Dangerous Goods Act* (TDG Act) to be tabled in Parliament → April-June 2021;
- Regulatory changes in the *Transportation of Dangerous Goods Regulations*, with publication in Canada Gazette I → January 2022;
- Regulatory changes in the *Transportation of Dangerous Goods Regulations*, with publication in Canada Gazette II → September 2022; and
- CID launch → October 2022.

- **BC Ministry of Environment and Climate Change**

BC Court of Appeal held that BC's proposed amendments to its *Environmental Management Act* were beyond the powers of the province and consequently unconstitutional. These amendments would have imposed a mandatory permitting regime on all railroads and pipelines carrying heavy oil through BC. Nineteen groups intervened, including oil producers, oil industry associations, first nations, and select provinces. BC launched an appeal to the Supreme Court of Canada and ultimately upheld the BC Court of Appeal's decision that the proposed amendments were beyond the powers of the province and as a result unconstitutional.

The BC Environmental Appeal Board Hearing on Spill Information Orders issued to BNSF, CN and CP, which required reporting volumes of crude oil shipments and plans to publish public reports on crude oil transportation in BC.

The BC Environmental Appeal Board (EAB) hearings took place in late 2019. In 2020, EAB reached its decision and determined that the Spill Information orders were invalid as ultra vires and alternatively inapplicable to the federal railways on the basis of interjurisdictional immunity. The BC Ministry of Environment is appealing the decision. (Ongoing)

- **CGSB Committee Standard 192.3 TDG Training Competencies**

In 2017, the CGSB established a standards committee to develop a new standard for competency-based training and assessment for the transportation of dangerous goods. The standard will be incorporated by reference into the *Transportation of Dangerous Goods Regulations* and published in part I of the Canadian Gazette in the fall of 2021.

- **Initial Consultation Part 6 Training May 1, 2020**

Transport Canada shared a working document for a rewrite of Part 6 of the *Transportation of Dangerous Goods Regulations* which includes the proposed draft provisions for the incorporation by reference of the proposed standard CGSB-192.3, Transportation of Dangerous Goods Training, Assessment and Competency to the *Transportation of Dangerous Goods Regulations*. RAC comments were submitted May 14, 2020. Expected to be published in Gazette II in fall of 2022.

- **Ministerial Order (MO 20-06) - Key Trains Speed Issued on November 6, 2020**

The Minister of Transport approved revised *Rules Respecting Key Trains and Key Routes*. These revised rules were filed in response to Ministerial Order MO 20-06, which was issued on April 1, 2020. The revised Rules take effect on August 22, 2021.

- Speed restrictions for Key Trains and Higher Risk Key Trains very similar to restrictions already in effect under Ministerial Order MO20-10 were issued on November 6, 2020. This includes the option to implement a Winter Operations Risk Mitigation Plan and mitigating measures in order to operate at higher speeds as defined below:

	Outside CMA		Within CMA
	Without Winter Plan	With Winter Plan	
Signaled Territory			
Ambient Temperature > -25°C	50	50	30
Ambient Temperature ≤ -25°C	30	50	25
Non-Signaled Territory			
Ambient Temperature > -15°C	50	50	30
Ambient Temperature ≤ -15°C	25	30 w/o Broken Rail Detection Tech. 40 with Broken Rail Detection Tech.	25

- Relative to Main Track and Subdivision Track Portions of Key Routes, track related requirements:
 - To develop and adhere to a maintenance and inspection plan approved by a professional engineer for Continuous Welded Rail Joint Management.
 - For the installation of replacement rail including ultrasonic inspection; recordkeeping requirements and the following restriction if ultrasonic testing of a replacement rail cannot be done prior to installation:
 - *A Company must, until the replacement rail has been ultrasonically inspected and verified to be free from rail defects, either:*
 - *limit the maximum speed to 10 MPH; or*
 - *implement a speed restriction reviewed and approved by a professional engineer.*

- Other changes in the revised rules include revisions to definitions; wording consistency and numbering in the rule to align with the other changes.
- **Electronic Shipping Documentation Equivalency Certificates**
Transport Canada issued equivalency certificates to CN and CP for the use of electronic shipping documents in lieu of paper documentation when goods are transported by rail. The equivalency certificate was issued as part of the Sandbox Regulatory Pilot Project which Transport Canada is currently undertaking to evaluate whether an equivalent or greater level of safety can be achieved with electronic shipping documents.

United States: Rulemaking

- **49 CFR Part 130 Final Rule (HM-251B)**
DOT's PHMSA in coordination with the FRA issued a final rule HM251B that requires railroads to develop and submit Comprehensive Oil Spill Response Plans for route segments traveled by High Hazard Flammable Trains (HHFTs). The rule revises the oil spill response plan (OSRP) requirements currently in place to require railroads to establish geographic response zones along various rail routes and ensure that both personnel and equipment are staged and prepared to respond in the event of an accident.
Railroads are required to identify the qualified individual responsible for each response zone and the organization, personnel, and equipment capable of removing and mitigating a worst-case discharge. The rule also requires rail carriers to provide information about HHFTs to state and tribal emergency response commissions in accordance with the FAST Act of 2015. Appeals concerning certain requirements in the final rule were submitted by AAR on March 28, 2019, PHMSA responded basically denying the AAR appeal to modify or eliminate certain requirements as stated in the final rule. Railroads were required to submit their OSRP by August 27th, 2019. PHMSA is reviewed submitted OSRP's and responded to individual railways in regards to any deficiencies in their plans. Railroads are responding to comments in PHMA's letters.
- **HM-219C Final Rule**
Published November 25, 2020: Adoption of Miscellaneous Petitions to Reduce Regulatory Burdens rule. Will address various outstanding HM petitions. Of rail interest:
 - Revising § 173.31 to prohibit the use of tank cars with shells or heads constructed of non-normalized steel in the transportation of poison-by-inhalation hazard (PIH) materials by rail after December 31, 2020. Account AAR had already adopted a phase-out schedule.
 - PHMSA is amending §§ 173.314(c) and 173.244(a)(2) of the HMR to make the HM-246 rail tank car specifications (known as the "I" car) permanent for the transportation of PIH materials and is assigning the unique identifier of "DOT-105H600W" for HM-246 tank cars transporting PIH materials by rail. Revising § 173.31 to prohibit the use of certain rail tank cars for the transportation of PIH materials after December 31, 2027.
 - The rule did not address retrofitting existing cars. This is a concern to the car owners since many want to retrofit their cars and offer as HM-246 compliant. The shippers and car owners are taking the lead in a petition for rulemaking to DOT to address retrofitting.
 - Most carriers acknowledge that some cars built prior to 2009 meet the HM-246 standard but are hesitant to support a petition allowing retrofitting. The retrofitting of legacy DOT111 tank cars to DOT117R has been a concern due to the low improvements in survivability and safety.
 - PHMSA is revising § 172.101(c) to clarify that the word "stabilized" must be included as part of the proper shipping name when the HMR requires stabilization before transportation.
- **HM-215O Final Rule**
Published May 11, 2020: Harmonization with International Standards rule.
 - Allows full reciprocity of Canadian Temporary Certificate car movements across US/Canadian border.
- **HM-264 Final Rule Final Rule**
Published 7/24/2020: Authorization of LNG in DOT-113 Tank Cars. A notice of proposed rulemaking (NPRM) was issued on October 23, 2019, to allow LNG to be transported in DOT-

113C120W rail tank cars. AAR and ASLRRA filed joint comments on December 23, 2019, supporting the NPRM with qualification.

- The final rule included a new specification cryogenic tank car DOT113A120W9 which requires a 9/16" outer tank instead of a 7/16" outer tank
- In addition, the final rule included a requirement to do a route risk assessment and operational controls similar to HHFT trains.
- The rule making is in legal battles from several states and environmental groups. The new administration issued a Presidential Order to review the rule making.

- **HM-260A Final Rule**

Miscellaneous Editorial Corrections. Published December 21, 2020.

Pending Rulemaking

- **HM-215P NPRM:** Harmonization with International Standards rule. 2021
- **HM-233G Final Rule:** Special Permit conversion rule. Will address what existing SP's can be converted into the regs. Sent to Secretary for Final Review/Approval. Expected Issuance: 2021
- **HM-250A NPRM:** IAEA Harmonization/RAM Regs. Being drafted. Review and concurrence stage. Modal Coordination. Expected Issuance: 2021.
- **HM-265 NPRM:** Modal Regulatory Reform Initiatives. Of rail interest – To address rail issues from HM RSAC/AAR M-1002 and updating Parts 174, 179 and 180. Is currently in drafting stage. Expected Issuance: 2021.
- **HM-265A ANPRM:** Modal HM Regulation Update. 2021



Environment Committee

Emily	Mak	Southern Railway of British Columbia, Chair
Michael	Barfoot	Railway Association of Canada
Jean-François	Boucher	VIA Rail Canada
Ben	Chursinoff	Railway Association of Canada
Keith	Dagg	West Coast Express Ltd.
Stéphanie	Daneau	exo
Chantale	Després	CN
Rob	Eagar	New Brunswick Southern Railway
Benoit	Gingras	exo
David	Huck	CP
Stella	Karnis	CN
Arjun	Kasturi	Metrolinx
André	Lapalme	Québec Gatineau Railway
Jérémie	Largeaud	Genesee & Wyoming Canada
Murray	MacBeth	Genesee & Wyoming Canada
Bruno	Riendeau	VIA Rail Canada
Sylvain	Rodrigue	exo
Thomas	Rolland	exo
Marta	Swiercz	Metrolinx
Adrian	Tena-Russell	Genesee & Wyoming Canada
Jonathan	Thibault	Railway Association of Canada
Joe	Van Humbeck	CP

RAC Environment Chairperson

Emily Mak with Southern Railway of British Columbia Ltd. has taken on the chairperson duties for the RAC Environment Committee. The RAC wishes to acknowledge the contributions of the previous co-chairs, Chantale Després (CN) and David Huck (CP) for their leadership over the last two years.

Carbon Pricing

In December 2020, the federal government announced that the carbon price will increase to \$170 per tonne in 2030. For the 2020 compliance year, the carbon tax is set at \$30 per tonne of CO₂e.

On March 25, 2021, the Supreme Court of Canada ruled that the *Greenhouse Gas Pollution Pricing Act* is constitutional. The majority of judges noted that global warming causes harm beyond provincial boundaries and that it is a matter of national concern under the “peace, order and good government” clause of the Constitution. Furthermore, the majority noted that the term “carbon tax” has nothing to do with the concept of taxation, as understood in the constitutional context. As such, the fuel and excess emissions charges imposed by the Act are constitutionally valid regulatory charges and not taxes.

Clean Fuel Standard (CFS)

The proposed *Clean Fuel Regulations* (the proposed Regulations) would require liquid fossil fuel primary suppliers (i.e. producers and importers) to reduce the carbon intensity (CI) of the liquid fossil fuels they produce in and import into Canada from 2016 CI levels by 2.4 gCO₂e/MJ in 2022, increasing to 12 gCO₂e/MJ in 2030. The proposed Regulations would also establish a credit market whereby the annual CI reduction requirement could be met via three main categories of credit-creating actions:

1. Actions that reduce the CI of the fossil fuel throughout its lifecycle,
2. Supplying low-carbon fuels, and
3. Specified end-use fuel switching in transportation.

Parties that are not fossil fuel primary suppliers would be able to participate in the credit market as voluntary credit creators by completing certain actions (e.g. low-carbon fuel producers and importers). In addition, the proposed Regulations would retain the minimum volumetric requirements (at least 5% low CI fuel content in gasoline and 2% low CI fuel content in diesel fuel and light fuel oil) currently set out in the federal Renewable Fuels Regulations (RFR). The RFR would be repealed.

On March 4th, the RAC provided a submission to Environment and Climate Change Canada (ECCC) detailing concerns with the proposed Regulations. Recommendations provided to ECCC include:

1. That ECCC reintroduce an energy efficiency ratio (EER) for rail to the Regulation, allowing railroads to generate end-used fuel switching credits under Compliance Category 3.
2. That ECCC broaden the definition of transportation end-use fuel switching under Compliance Category 3 to include yard equipment.
3. The RAC asks that ECCC protect Canadian railway companies' commercial agreements with OEMs – and improve ongoing investment certainty – by requiring vendor disclosure of energy density and percent of renewable content whenever a batch of fuel contains more than 5% biodiesel or 30% renewable diesel.
4. That ECCC earmark a portion of the compliance fund to support rail specific technology research, development, and deployment

Rail Pathways Initiative

The Pathway Initiative aims to identify short, medium, and long-term GHG reduction opportunities both within the rail sector and enabled by the rail sector through modal shift in alignment with federal priorities to reduce transportation sector GHG emissions. This project has been divided into two phases, of which Phase 1 has been completed.

Phase 1, completed in August 2020, catalogued ongoing and potential activities related to rail sector decarbonization that are led by industry and government, or collaborations between the private and public sectors. It fulfilled the following objectives:

- To develop a common understanding of the current state of rail sector decarbonization in Canada, which can be used as a tool for collaboration between industry and government;
- To create a repository of current federal, provincial and territorial GHG reduction legislative instruments and activities impacting the rail sector; and
- To contribute to next-phase work on a roadmap to achieving future GHG reductions in Canada's rail sector.

Phase 2 of the Pathways Initiative is leveraging extensive stakeholder engagement to develop a roadmap to deeper decarbonization in the rail sector. This entails establishing a common vision, developing a framework for assessing GHG reduction opportunities, and creating a comprehensive pathway. Due to high cost, long-lasting equipment with high energy requirements, decarbonizing this sector presents unique challenges. It will require alignment and strategic cooperation from several sectors including academia/research organizations, OEMs, fuel producers/ energy suppliers, rail operators and government bodies. This phase will have the following objectives:

- Develop an analytical framework for assessing GHG reduction opportunities in the rail sector;
- Identify and assess potential GHG reduction measures;
- Create a roadmap framework and work plan for GHG reduction actions; and
- Develop and implement a roadmap implementation strategy.

Phase 2 is projected to be completed by the end of June 2021.

Cross-border Movement of Hazardous Waste and Hazardous Recyclable Material Regulations

An industry working group continues to engage with ECCC to raise awareness of current processes that railway companies use for handling shipments of hazardous waste as well as railway's anticipated processes for complying with requirements of the proposed regulations.

Among the issues being raised are:

- The reporting requirement compliance costs under the regulations.
- The logistical challenges in changing the EDI systems to track individual cross-border movements of rail ties.
- The limits to the benefits brought on by the additional reporting requirements included in the regulations.
- Tracking of waste railway ties that are moved interprovincially within Canada when railways are the generator of the waste or recyclable material (i.e. railway ties). The collection and transport of these material does not trigger any of the internal documentation process that is triggered for other movements of hazardous waste/recyclable material.
- The timing to produce a Movement Document when railway companies are carriers of hazardous waste. The working group indicated that railways would not be able to produce the Movement Document while in transit, but after the shipment has been completed.

On February 10, 2021, a draft PELES application was submitted to ECCC for their review to determine suitability of meeting the proposed regulatory requirements. The document was developed with support from railway subject matter experts and Aureus Solutions Inc. Subsequently, the regulations were published in Canada Gazette, Part II, on February 26, 2021, with a coming into force on October 31, 2021.

A period of approximately six months between the final publication of the regulations and the coming into force will allow industry to familiarize themselves with the regulatory requirements and to obtain necessary permits. It is intended that the draft application will allow the RAC to receive valuable feedback on the proposed PELES before the regulations come into force, providing railways with an approved alternative arrangement to meet the regulatory requirements.

Monitoring files: Single-Use Plastic Regulations, Glyphosate, and CEPA

Single-Use Plastics

The Government of Canada is taking steps toward eliminating plastic pollution in Canada, including potentially banning or restricting certain harmful single-use plastic products, where warranted and supported by science.

Management framework approach for single-use plastics	
Steps	Details
1. Categorize:	Group single-use plastic items into categories and identify considerations for exemptions: <ul style="list-style-type: none"> 1. environmentally problematic 2. value recovery problematic
2. Set management objectives:	For priority categories, determine which objective in the waste management hierarchy should be pursued: (1) eliminate or reduce from the Canadian market, or (2) increase recycling or recovery rate.

3. Choose an instrument:	Based on the objective chosen for each product, choose the appropriate instrument to achieve the goal informed by the <i>Instrument Choice Framework for Risk Management under the Canadian Environmental Protection Act</i> .
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Items being considered for a ban include:

- Checkout bags
- Stir sticks
- Beverage six-pack rings
- Cutlery
- Straws
- Food packaging made from plastics that are difficult to recycle

Regulations will be finalized by the end of 2021.

Glyphosate Monitoring

Statements and reports published by Health Canada and the U.S. Environmental Protection Agency since January 2019, have indicated that the use of glyphosate (active ingredient in Roundup) does not increase risks to human health when the product is used in accordance with its label.

Health Canada continues granting registration of products containing glyphosate for sale and use in Canada, with changes to product labels to provide Canadians with additional information on how to use these products safely.

Railways have an interest in the product since it is used for vegetation control along rail right of way. Environmental Non-Government Organizations (ENGOS) continue to push back against Health Canada's 2017 revaluation of glyphosate however no new statements have been issued by Health Canada.

Laval, QC has become the first city in Quebec to ban the use of glyphosate through a bylaw adopted on April 13, 2021. The City of Montreal is considering a similar ban. Other Canadian jurisdictions with restrictions on the use of glyphosate in public spaces include Vancouver and New Brunswick.

Canadian Environmental Protection Act Reform

The RAC continues to monitor developments relative to CEPA reform. On April 8th, Minister Wilkinson introduced Bill C-28, *Strengthening Environmental Protection for a Healthier Canada Act*. Proposed key amendments include:

- Recognizing that every individual in Canada has a right to a healthy environment
- Confirmation of the government's commitment to implement the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)
- Recognizing the importance of considering vulnerable populations in risk assessments and of minimizing the risks posed by the cumulative effects of toxic substances
- Endeavouring to reduce, refine or replace the use of animal testing
- Recognizing the importance of Canadians having information regarding the risks of toxic substances, including by labelling products
- Strengthening chemicals management (e.g. risk management, risk communications, research, and monitoring)
- New provision to allow any person to request that the Ministers assess a substance to determine whether it is toxic or capable of becoming toxic.

Mechanical Committee

Kyle	Mulligan	CP, Chair
Matthew	McClaren	CN, Vice Chair
Stephane	Boudreault	Quebec North Shore and Labrador Railway Company Inc.
Laszlo	Czihaly	Southern Railway
Dave	Dallaire	Québec Gatineau Railway Inc.
Claude	Gagnon	Railway Association of Canada
Lonnie	Little	Ontario Northland Transportation Commission
Murray	MacBeth	Genesee & Wyoming Canada Inc.

Broken Wheels

The Mechanical Committee has recently re-engaged with stakeholders from CN, CP, and several Canadian shortline railways (Southern Railway of British Columbia, Quebec North Shore and Labrador, Quebec Gatineau Railway, Ontario Northland Transportation Commission and Genesee Wyoming Canada). The current focus of the Committee is to study broken wheels which have resulted in derailments. The Canadian shortlines have expressed a concern that in the event of a broken wheel derailment, they must receive the analysis support from the originating Class I railways. As a result, the Committee ensured that immediate analysis support would be provided through the CP Winnipeg Test Department. The results are to be shared in Q2 2021 in efforts to support the shortlines with the detection and handling of broken wheels. As broken wheels are not just a shortline issue, but an industry issue, detection of broken wheels is therefore a topic which will be part of ongoing discussions with the Committee in support of both the Class 1's and the shortlines based on the laboratory results.

AAR Damage Prevention & Freight Claim

Recently approved the following closed car documents:

GIS No. 858, Bales of Wood Pulp in Boxcars

GIS No. 859, 69 in. Diameter Rolls Loaded in 50 ft. Boxcars Secured with Anchored U-Straps

GIS No. 860, 50 in. Diameter Paper Rolls T-Loaded in 50 ft. Boxcars

The recently approved closed car documents and all AAR closed car and intermodal loading publications are available online to download for free at: <http://www.aar.com/standards/damage-prevention.html>

Medical Committee

Gina	Stirpe	CN, Chair
Lisa	Trueman	CP, Vice Chair
Gurpreet	Bola	Metrolinx
Robert	Gaudet	exo
André	Houde	Genesee & Wyoming Canada
Marie-Claude	Laporte	VIA Rail Canada
Caroline	Healey	Railway Association of Canada
Magdy	Fahmy	Railway Association of Canada
Michael	Barfoot	Railway Association of Canada

Medical Advisory Group

Dr. George	Lambros	Chief Medical Officer, CP, Chair
Dr. Linda	Garand	Chief Medical Officer, CN, Vice Chair
Dr. John	Cutbill	Chief Medical Officer, Canadian Independent Railways (Shortlines)
Dr. Nigel	Adams	Chief Medical Officer, BNSF Canada

2020 MAG Update – Dr. George Lambros

None of the allocated budget for 2020 (\$ 26,000.00) has been spent. Although some of the work may have been initiated, it would be inaccurate to say that any of the 2020 projects listed below have been progressed in any meaningful way. The unfortunate reality is that the current COVID-19 pandemic, with its multiple complexities and changing variables at Federal, Provincial and State levels, has required the extraordinary attention of all of the members of the MAG. Both the Medical Committee & MAG propose that the unused 2020 budget (\$ 26,000.00) be reallocated to the MAG for 2021 scope of work.

2021 BUDGET UPDATE: from Medical Advisory Group – Dr. George Lambros

Subsection 4.7 Diabetes	Total anticipated spend for 2021 = \$7,500.00
Subsection 4.2 Hearing	Total anticipated spend for 2021 = \$2,500.00
Subsection 4.4 Neurological Disorders	Total anticipated spend for 2021 = \$16,000.00

The unused budget from 2020, \$26,000.00, should be sufficient to cover the MAG 2021 scope of work. The only foreseeable issue that may delay the completion of the above is the ongoing COVID-19 Pandemic.

Operating Rules Committee

James Gamble	CP, Chair
Luca Frappier-Charron	CN, Vice Chair
Normand Adams	Genesee & Wyoming Canada
Michelle Ardron	VIA Rail Canada
Guy Langis	Ontario Northland Transportation Commission
Magdy Fahmy	Railway Association of Canada
Michael Barfoot	Railway Association of Canada

There has been a flurry of regulatory activity in the Canadian railway industry within the six months since our last report. In the October 2020 report, the Committee outlined their industry efforts over the last five years to progress the next round of improvements to the *Canadian Railway Operating Rules* (CROR). The Committee noted that though the arrival of COVID-19 resulted in unexpected challenges and delays, we were actively working to submit the next version of the CROR to unions for consultation. These efforts included the development of rules relating to switching which would codify common existing industry instructions and expectations.

Despite this ongoing effort, on September 14, 2020, the Minister of Transport issued MO 20-09 which requires “railway companies and local railway companies to revise the CROR to incorporate provisions governing switching operations pursuant to subsection 19(1) of the *Railway Safety Act* (RSA). This resulted in the Operating Rules Committee pausing our work on the 100+ CROR rule changes in progress in order to meet the timeline mandated in the Order. A new package of CROR changes was developed which provides safer, more thoughtful and viable solutions than those proposed in MO 20-09. This package of rules is currently in the consultation phase with industry and unions. The Order requires these rules be filed with the Minister no later than June 1, 2021.

When representing the industry, the Operating Rules Committee has made every possible effort to ensure that TC’s concerns are correctly understood, and provided opportunities to be engaged in developing a collaborative solution. On February 1, 2021, a shortline operator in Ontario experienced the loss of control of a movement. Recognizing the likelihood of resulting regulatory action, the Operating Rules Committee began work that same afternoon on developing a new rule which would address root cause of the incident. When TC reached out to us for ideas later that week, we shared with them our progress. We finalized the rule and provided it to TC for further discussion. Unfortunately, no discussions took place after, and TC opted to issuing two further Ministerial Orders on March 10, 2021, MO 21-01 pursuant to subsection 32.01 of the *Railway Safety Act* (RSA) to prevent accidents caused by the unintentional release of the air brakes, and MO 21-02 pursuant to subsection 19(1) of the *Railway Safety Act* (RSA) to revise the *Railway Locomotive Inspection and Safety Rules* to incorporate design and performance parameters for locomotives with roll-away protection, and to revise the CROR to develop a precise definition of attended versus unattended equipment as well as incorporate requirements on the use of roll-away protection to reduce the risks of an uncontrolled movement.

It is disappointing that efforts to engage TC in meaningful collaborative discussions were not pursued by TC, however, they opted to the issuance of Ministerial Orders. This approach unfortunately resulted in seeing years of effort in development of a revised CROR will again be paused as our efforts are diverted in response to the new Orders.

In closing, on behalf of the passionate, expert members of the Operating Rules Committee, I would like to assure everyone reading that we remain more committed than ever to operating safely, with integrity, to rise above these challenges. We will continue to proudly demonstrate our collective values and strong leadership in the face of the unfortunate deteriorating relationship between industry and regulator.

Proximity Committee

Sean	Finn	CN, Co Chair
Randy	Goulden	City of Yorkton, Co Chair
Jeff	Browaty	City of Winnipeg
Philippe	Cannon	VIA Rail Canada
Chris	Fonseca	City of Mississauga
Steve	Gallagher	Cando Rail Services
Mike	LoVecchio	CP
Rhona	Martin	Columbia Shuswap Regional District
Michelle	Morin-Doyle	Ville de Québec
Monika	Pezdek	CN
Marion	Robinson	Transport Canada
Jenelle	Saskiw	Village of Telkwa, Project Manager, FCM
Keith	Shearer	CP
Adam	Snow	Metrolinx
Jason	Tsang	Canadian Transportation Agency
Eve Danièle	Veilleux	VIA Rail Canada
Christina	Vietinghoff	Federation of Canadian Municipalities
Ben	Chursinoff	Railway Association of Canada

The Federation of Canadian Municipalities (FCM) – Railway Association of Canada (RAC) Proximity Initiative continues to work with stakeholders to raise awareness of rail safety and to promote the adoption of the *Guidelines for New Development in Proximity to Railway Operations* by municipalities and provincial governments across the country.

Advocacy Update

Meetings have been held with the following stakeholders.

Municipalities	PTAs	Provincial Ministers	Provincial Departments	Port Authorities	Federal Officials	Other
Toronto	AUMA	Ontario Minister of Transportation	Manitoba Municipal Relations Planning Department	Port of Montreal	Transport Canada Rail Safety Directorate	Dillon Consulting
Winnipeg	RMA	Alberta Minister of Transportation & Infrastructure	BC Municipal Affairs Planning Department	Port of Vancouver	Lloyd Longfield, MP for Guelph	
Pitt Meadows, BC	UBCM					
District of North Vancouver	SUMA					
Langley City, BC	Nova Scotia Federation of Municipalities					
Township of Langley, BC						

Port Coquitlam						
Montreal						

These engagements have allowed the proximity initiative to raise awareness of the guidelines with stakeholders. As a result, the guidelines will be officially enacted in both Winnipeg and by the Manitoba Municipal Relations Planning Department as they are responsible for reviewing and approving local developments outside of Winnipeg and Brandon.

Alberta Minister of Transport has agreed to work with the proximity initiative and to promote adoption of the proximity guidelines.

Transport Canada Statement of Support

Transport Canada will be officially endorsing the proximity guidelines with an official policy statement of support. TC is in the process of gathering support through the Ministers Roundtable to solicit provincial ministers' support as well. It is anticipated that federal government support will help with encouraging provinces, municipalities, and territories to incorporate the proximity guidelines in their regulatory frameworks and/or land use plans. TC continues to update the Proximity Initiative on development of the statement as publication is TBD at this time.

Proximity Guidelines Update

- The Proximity Guidelines were last updated in 2013. As we are approaching our nearly 10-year anniversary of the update and nearly 20 years since its inception, it is time to review the guidelines once again.
- To date, we are happy to report that 120 municipalities have adopted the guidelines fully or in part. This is a first step in ensuring that our communities can remain safe and consistent development considerations will help mitigate development issues for communities. Being that FCM represents nearly 2000 communities, it is imperative that this number increase. It is interesting to note that most of the communities that have adopted the guidelines are from eastern Canada. This tells us that there is tremendous opportunity for us to continue to promote the guidelines from coast to coast.
- Jenelle Saskiw proposed that the steering committee establish a formal working group to review the guidelines. She suggested that the committee follow a similar format to review the guidelines as was done in 2013. She would like us to establish a working group made up of municipal leaders, industry representatives and stakeholders that can share pertinent information. She will also be contacting those communities that have adopted the guidelines to get some "testimonials" and create benchmarks that can be used to help us promote the guidelines. If we have positive endorsement from communities, it will help us promote them in the future.
- Once the committee is established, it will focus on:
 - 1) Gathering data from municipalities. Why have they adopted the guidelines, did it mitigate issues. Why has your community not adopted the guidelines?
 - 2) Gathering data from railway partners and technical experts
 - 3) Reviewing the guidelines and implementing changes if/where necessary
 - 4) Promote new guidelines and increase adoption rate.
- Gaps as identified by stakeholders include clarifying guidelines for commercial and industrial developments, developing guidelines for locations with limited physical space where a 30m setback is not feasible (e.g., urban intensification), and raised railway infrastructure.

Steering Committee

The steering committee held a virtual meeting on Monday March 15, 2021. Notable discussion items include:

- There has been an increase in proximity issues over the last year received by CN, CP, the CTA, and Metrolinx. This may be attributed to the impacts of the pandemic as most citizens are spending more time at home thus becoming more aware of proximity issues during the day.
- The Committee discussed how to measure the benefits of adopting the guidelines. This is an item that will require continued engagements with municipalities that have already adopted the guidelines as it may be somewhat difficult to quantify livability.
- An FAQ document was developed and published on the proximity initiative website:
<https://www.proximityissues.ca/proximity-initiative-frequently-answered-questions-faq/>



Safety Culture Committee

Keith	Nordin	Southern Railway of British Columbia, Chair
Barney	Gregory	CSX Transportation
Bola	Gurpreet	Metrolinx
Brown	Tom	CN
Cameron	Mark	Metrolinx
Cregan	Brianna	CHSOS
Dennard	Renota	Norfolk Southern
Dillon	Doug	Prairie Dog Central Railway - Vintage Locomotive Society
Fleming	Mark	St. Mary's University
Gingras	Benoit	exo
Hamilton	Becky	CSX Transportation
Kelly	William	OmniTRAX Canada
Laronde	Laurie	Ontario Northland Transportation Commission
Leonard	Michael	BNSF Railway
Linden	Gerald	Southern Railway of British Columbia
Livingstone	Jeff	Prairie Dog Central Railway - Vintage Locomotive Society
McCauley	Jocelyn	Metrolinx
Moller	Jeffrey	Association of American Railroads
Murta	Thomas	Short Line Safety Institute
Newsome	Paul	Prairie Rail Solutions - Vintage Locomotive Society Inc.
Riendeau	Bruno	VIA Rail Canada
Ringelman	Ryan	BNSF Railway
Rodrigue	Sylvain	exo
Smith	Lisa	Cando Rail & Terminals
Strang	Jo	American Short Line & Regional Railroad Association
Tardif	Stéphane	Genesee & Wyoming Canada
Tully	Robert	CP
Chursinoff	Ben	Railway Association of Canada

The Safety Culture Improvement Initiative (SCII) continues to operate in accordance with its 2021 work plan that focuses on:

- Completing safety culture assessments in partnership with Railway Association of Canada (RAC) member companies.
- Developing tools and guidance material to improve safety culture in the railway industry; and
- Educating/informing government officials and stakeholders about the importance of safety culture within the railway industry.

Safety Culture Steering Committee Chairperson

Following the retirement of Mr. Steve Gallagher (Cando Rail & Terminals Ltd.) at the end of 2020, Mr. Keith Nordin (Southern Railway of British Columbia Ltd.) was identified as the new chair of the safety culture steering committee and will be starting this role in the second quarter of 2021.

Safety Culture Assessments

Safety culture assessments have been completed for the Ontario Northland Railway (ONR) and is nearing completion for Quebec Gatineau Railway (QGRY). A finalized action plan has been submitted to the RAC Safety Culture Team from ONR and QGRY has submitted a draft of their action plan with a final draft coming soon. The RAC team will shift to the monitoring phase while the railways begin implementing initiatives to enhance their safety culture. The RAC remains available to both railways for any additional support that may be required.

Looking forward to the 2021 assessment year, interest in the Safety Culture Improvement Initiative has been building. The RAC released its call for applications in March 2021 and received 3 applications for assessments. These are from the Ottawa Valley Railway (OVR), Universal Rail Systems, and Toronto Terminals Railway (TTR). An assessment framework has been developed to determine assessment order for 2021 which indicates that the preferred order will be OVR to launch the survey in the summer, followed by TTR's survey launch in September / October and then Universal Rail Systems assessment to begin in late fall / early winter going into 2022. Timelines will be reviewed with these railways and may be subject to change due to continued impacts of COVID-19 as well as summer vacations of employees at respective railways.

Transport Canada Safety Culture Policy Statement

In accordance with recommendations made in the *Railway Safety Act Review*, the RAC is supporting Transport Canada's (TC) efforts to develop a safety culture policy statement. Mr. Sam Berrada (of the RAC Safety Culture Team) has been in contact with TC to identify opportunities for the Department to support and advance safety culture in the Canadian rail sector. Mr. Berrada developed a document that provides potential initiatives that the regulator can undertake to support safety culture in the rail industry. Because TC's focus over the past several months continues to be on COVID-19, Regulatory Changes, and briefing the new Minister of Transport, the Department has made minimal progress on the draft safety culture policy statement but is committed to keeping the RAC engaged.

Safety Culture Indicators / Metrics

The 2021 Work Plan pursues the RAC's progress to work with members to develop safety culture indicators to complement the assessment process and enable members to gauge their progress on improving safety culture through a short-focused perception survey. The Safety Culture Indicators / Metrics report shows that safety culture is complex and cannot be described accurately with a single metric. The report, drafted by Mr. Berrada, identifies several indicators which provide insight and a directional trend of changes in safety culture. The following three indicator categories are identified in the report:

1. Perceptions; and
2. Initiatives; and
3. Outcomes.

Southern Railway of British Columbia (SRY) has volunteered to pilot the short-focused perception survey in 2021. This will provide an opportunity for SRY to measure the impacts of its safety culture initiatives and for the RAC to learn about the effectiveness of the safety culture indicators in the short-focused perception survey. Due to the continued impacts of COVID-19, SRY has indicated it prefers to launch this initiative in the fall of 2021.

RAC Safety Culture Focus Group

On December 3rd, 2020 a two-hour long safety culture focus group was held with representatives from Cando Rail, CP Rail, Genesee & Wyoming Railway, Prairie Dog Central Railway, Southern Railway of British Columbia, and VIA Rail; providing a broad range of railway experiences with differing operations and perspectives. The RAC Safety Culture Team facilitated the discussions.

The objectives for the session were to:

- Consult about challenges and opportunities relative to pursuing the journey to assess and strengthen safety culture for the railway industry.
- Solicit feedback on the RAC Safety Culture Improvement Initiative
- Identify any gaps in the initiative.
- Identify how the RAC can best support railway's safety culture journeys.

To begin the session, a presentation overview of the Safety Culture Improvement Initiative was provided to participants. The presentation provided information on the governance model of the initiative, the safety culture assessment process, leadership training, the compendium of best practices and tools, and safety culture research efforts (e.g., safety culture indicators and short-focused survey). Afterwards, discussion questions were presented to the focus group to help guide conversation. The four discussion questions were:

1. What are your key opportunities and challenges in advancing safety culture?
2. What support do you need to achieve this?
3. What can the RAC do to better support its members in advancing safety culture?
4. How can railway members best support each other in advancing safety culture?

The focus group was productive with the identification of several opportunities which can be advanced to help members strengthen their safety culture. The focus group prioritized the following items for development.

1) Leadership / Management Safety Culture Training

Participants reported that the differing levels of knowledge or understanding of safety culture amongst senior railway leaders and line managers is a challenge to advancing safety culture. An integral factor in developing a strong safety culture is having leadership commitment and buy-in, which encompasses having a good comprehension of what safety culture is. Discussions also indicate that companies are challenged by ensuring that leaders have the support and skills needed to be effective leaders (e.g., knowing how to intervene and understanding how to successfully establish relationships with employees). Additionally, it is perceived that changes amongst leadership can cause discontinuities in an organization's safety culture progression, therefore ensuring that safety culture training is available is key for maintaining knowledge and onboarding of new leaders / managers. This speaks to the need for the RAC to continue with leadership and safety culture training opportunities for railways.

2) Guidance Document on Advancing Safety Culture

Railway members suggested that further support for the safety culture journey be provided in the form of a safety culture standard, or guidance document, which explains the characteristics of a strong safety culture and outlines a practical approach for members to progressively strengthen safety culture. This guidance document would describe the behaviours and characteristics associated with a strong safety culture, how companies can define and brand their culture, and identify best practices which can be used and adapted to make progress while suiting individual company needs.

3) Safety Culture Resource Information and Communication / Awareness Document

Enhancing and increasing communications to RAC members about safety culture resources and best practices was identified as a need. Members felt that they don't necessarily have a good knowledge or easy access to such information. As well, members suggested that a robust communication / awareness document be developed to help them raise the level of knowledge and awareness of safety culture in their company.

4) Peer Review Process

A peer review process for sharing initiatives and best practices amongst RAC members was suggested to facilitate and encourage peer learning and exchange. It was identified that the RAC is in a position to develop and facilitate this amongst its membership. This would allow railways to see what initiatives other railways have implemented relative to safety culture, thereby enabling peer support and learning.

Proposed Next Steps

Based on the feedback from the focus group, the Safety Culture Team plans to address the priority findings through four buckets (below). These buckets are sufficiently broad in scope to address most of the feedback; however, it is important to note that not all feedback may be addressed through these initiatives. The work will continue to evolve as initiatives are completed and additional feedback is received.

The Safety Culture Team will be working in the following areas in 2021 to increase the support available to RAC members to assist with their respective safety culture journeys. This development effort will include consultation with members to ensure that deliverables are aligned with needs and opportunities.

1. Leadership / Management safety culture training

- **Action:** The Safety Culture Team will produce a roadmap of training offerings in Q1 2021.

2. Safety culture resources and communication / awareness document

- **Action:** Two deliverables will be developed:
 - a) a document detailing resources available to members; and
 - b) a safety culture communication / awareness document.

Both will be developed along with a communication strategy in 2021 by the Safety Culture Team.

3. Developing a safety culture guidance document for members

- **Action:** Development of a guidance document to begin after completion of item #2, in collaboration with industry, targeted for the second half of 2021.

4. Develop peer review process for sharing of best practices

- **Action:** Item to be included in 2021 RAC work plan for Q3. An initiative entitled "Peer Safety Culture Sharing Initiative" (below) was launched in Q1-2021 to support the sharing of best practices.

New Safety Culture Initiatives

The RAC Safety Culture Team is introducing new initiatives to increase knowledge and supports available to RAC members relative to safety culture. These include:

- Strategic Safety Culture Development Initiative
- Peer Safety Culture Sharing Initiative
- Safety Culture Assessment Railway Commitment

Strategic Safety Culture Development Initiative

Objectives:

1. Enhance and elevate safety culture knowledge of steering committee members by leveraging external experts.
2. Provide ongoing safety culture education to steering committee members, in order to:
 - ✓ Elevate strategic safety culture knowledge;
 - ✓ Provide updates on research and advancements;

- ✓ Connect safety culture with railway issues and opportunities;
- ✓ Provide a foundation for members to partake in the formulation of the steering committee vision, initiatives and development efforts.

Concept:

1. Initiate 'Strategic Safety Culture Development' initiative with 2 educational installments on Leadership delivered by Dr. Mark Fleming:
 - Educational installments to be delivered during safety culture steering committees;
 - Duration will be approximately 15 – 20 minutes;
 - Initial installments will cover:
 - ✓ Critical role of leadership and line management in a strong safety culture;
 - ✓ Effective leadership skills and interventions;
 - ✓ Leadership and Line management Training – progressing from singular training events to a development process.
2. Following the initial educational installments on leadership delivered by Dr. Fleming on March 12th, a second installment will be delivered at the next safety culture steering committee meeting, and subsequently the intent will be to consult with the steering committee to identify additional themes which are relevant and valuable to members, for subsequent 'Strategic Safety Culture Development' installments.

Peer Safety Culture Sharing Initiative**Objectives**

1. Leverage the strengths and experience of safety culture steering committee members by creating a process to share and exchange safety culture practices and experience amongst members;
2. Leverage collective knowledge, best practices and experience for the benefit of all members;
3. Understand common challenges and opportunities faced by members, as well as approaches which have been successful;
4. Create a catalyst for sharing and learning, as well as identifying development opportunities;
5. Create opportunities for members to connect, partner and support each other.

Concept**1. Inception:**

- ✓ A short survey* was sent to steering committee members in March in order to identify the key issues and opportunities faced by members in advancing safety culture;
- ✓ Results will be analysed and shared with members for purposes of identifying the top 3 most significant / relevant issues and opportunities.

2. Process:

- ✓ RAC Safety Culture team to develop agenda and process for starting initiative during a steering committee meeting in 2021. The intent is to integrate this initiative with a safety culture steering committee meeting agenda.
- ✓ Theme, agenda and process will be shared with steering committee members in Q2 – 2021;
- ✓ Members will be asked to come to the next steering committee prepared to present / discuss their experience, best practices (if available), challenges, opportunities and/or development opportunities for the specific theme identified.
- ✓ RAC Safety Culture Team to take notes during 'Peer Safety Culture Sharing' process and share with members for subsequent consultation and prioritization.
- ✓ The key themes will be reviewed / updated at the beginning of each year for purposes of identifying one theme each year to use this initiative.

***Survey Link:** https://smuniversity.qualtrics.com/jfe/form/SV_bQpMhLTlqU28q7c

Safety Culture Assessment – Railway Commitment

A document, entitled “Safety Culture Assessment – Railway Commitment” was developed and shared with the safety culture steering committee to enable members to fully understand the safety culture assessment process, including roles, responsibilities, and expectations.

This document complements existing RAC documents and is expected to help members who undertake a safety culture assessment to engage effectively in each of the steps, and thereby achieve a positive outcome which will meet their objectives.

Security Committee

Lori	Kennedy	CP, Chair
James	Babe	Capital Railway
Bryan	Bass	BNSF Railway
Christopher	Bennett	CSX Transportation
Jeff	Briggs	BNSF Railway
Stephen	Covey	CN
Patrick	Desaulniers	exo
Jack	Gibson	CSX Transportation
William (Bill)	Grodzinski	Metrolinx
Mitch	Jardine	CN
Peter	Lambrinakos	VIA Rail Canada
Brandon	Myers	CN
Brian	Schwab	Amtrak
David	Smith	CN
Curtis	Stanley	Norfolk Southern
Stéphane	Tardif	Genesee & Wyoming
Pierre-Luc	Vachon-Gravel	exo
Jared	Wagar	CP
Todd	Wallace	West Coast Express
Robert	Zawerbny	CN
Andy	Ash	Railway Association of Canada

Transport Canada (TC) has issued new passenger related regulations under the *Railway Safety Act* (RSA). The members of this Committee continue to actively engage with TC to provide input on what is being considered as opportunities arise but there has been minimal interaction at the industry level in the last 6 months. Following is a brief overview of the key activities that this Committee has been focused on.

RSA Passenger Rail Security Regulations

Update: On October 28, 2020, final regulations were published in Canada Gazette II. There were minimal changes in the final regulation and TC did not fully address industry's comment. Most of the changes made the regulatory language more specific, including more prescriptive timelines to complete certain actions e.g. reviews of security risk assessments within "seven days" instead of "as soon as feasible". For operations-based security exercises, the final regulation does reduce the frequency from 3 years to 5 years.

Background: The Passenger Rail Security Regulations were issued under the Railway Safety Act. TC had been engaging with railways that operate and/or host passenger operations for input since early 2017.

The requirements:

- Are similar to what is in the Memorandum of Understanding and what is required under the *Transportation of Dangerous Goods Act* for freight rail.
- Has a staggered implementation.
- Vary depending on if the company is a:
 - Large passenger company;
 - "Small passenger company": transported <60,000 passengers in one of the two previous calendar years; or

- “Host company”: a railway company that authorizes a passenger company to operate on its railway.
- Requires passenger railway and host companies to:
 - Effectively manage their passenger rail system security risks primarily using a management-based approach.
 - Implement security processes to effectively manage their identified security risks; and
 - Report and keep records to document compliance with requirements.
- Gives railway companies the flexibility to adopt security practices and measures that are unique to their operations and adapt to a changing risk environment.
- Following is a summary of the key requirement and the required compliance dates:

Proposed Requirements	Railway Company			Length of Time After Registration Before Coming into Force
	Large Passenger	Small Passenger	Host	
1. Security awareness training	Yes	Yes	Yes	3 months (Jan. 6/21)
2. Rail security coordinator	Yes	Yes	Yes	Registration day (Oct. 6/20)
3. Security reporting	Yes	Yes	Yes	Registration day (Oct. 6/20)
4. Security inspections	Yes	Yes	No	3 months (Jan. 6/21)
5. Security risk assessment	Yes	No	No	9 months (July 6/21)
6. Security plan	Yes	No	No	9 months (July 6/21)
7. Security plan training	Yes	No	No	15 months ¹ (Jan. 6/22)
8. Security exercises	Yes	No	No	15 months ¹ (Jan. 6/22)
Recordkeeping	Yes	Yes	Yes	

- *i.e. 6 months after security plan requirements come into force*

Transportation of Dangerous Goods Security Regulations

Update: On October 20, 2020, the committee in collaboration with Transport Canada and the AAR, put a new process in place that allows railway companies to use the AAR Common Operating Environment (COE) as an option to electronically report security incidents that are required by the regulation.

Reporting still requires a telephone notification to TC but the details of the incident can be sent electronically. This reduces time spent and improves report quality, as well as provides a central record of incidents to enhance industry visibility and trend analysis. Electronic reporting can also be done to meet the incident reporting requirements of the new RSA *Passenger Rail Security Regulations*.

MOU Management Committee

No change since the last meeting.

Wireless Communications Committee

Kevin	Waldern	CP Rail, Chair
Frederik	Chevrier	VIA Rail Canada Inc.
Simon	Beliveau	CN Rail
Diane	Neese	CN Rail
Yves	Cloutier	Québec Gatineau Railway
Pavel	Danshin	Metrolinx
Antonio	Aranibar	CN Rail
Xavier	Hall	Metrolinx
Celina	Kawasima	CP Rail
Marc	Lavallée	EXO
Marc	Levesque	IOC
Trevor	Smith	CP Rail
Alain	Vachon	CN Rail
Enzo	De Benetti	Railway Association of Canada

CRTC 2019-57 Consultation

The Railway Association of Canada (RAC) has just received the report from the government resulting from the [Telecom Notice of Consultation CRTC 2019-57](#) (NOC 2019-57), requesting that Critical Infrastructure Operators such as rail have access to Mobile Network Operator (MNO) and the future Public Safety Broadband Network (PSBN) infrastructures and spectrum. The RAC filed its final submission on July 15, 2020, emphasizing the need for Critical Infrastructure Operators (CIOs), such as rail, have access to broadband spectrum as a means of implementing the future railway applications requiring broadband access. This initiative is important due to the fact that without having access to a critical infrastructure Mobile Network Code (MNC) it will not be possible to deploy a private LTE broadband solution.

In the government's report, it was identified that granting the CEA and RAC's request would have benefits to the public interest since it would lead to more reliable, innovative, and integrated networks for CIOs. The government realizes that the MNCs are a finite resource and has requested a report to explore the best way to allocate MNCs efficiently to CIOs and amend the IMSI Guideline to allow CIOs to acquire MNCs.

Recently the RAC has supported the Canadian Electricity Association (CEA) in their efforts to encourage the government to allow industry access to broadband spectrum. A meeting was held with Innovation, Science and Economic Development (ISED) to address the lack of broadband spectrum available to the industry and to advocate a different method of assigning frequencies rather than by auctioning them off. ISED showed interest in the Shared Radio Access Network (RAN) proposal which would allow Critical Infrastructure operators to share the spectrum with Public Safety Canada.

Spectrum-E Management Application

Spectrum-E is the application used by the RAC to manage the railway spectrum. This application will be updated in April to bring it up to date and add several improvements. Several training sessions have been held with the members over the past year to make them aware of the capabilities of the tool. Once the new version is operational, a training session will be provided to introduce the members to the improvements.

CP has made a significant effort to bring their records up to date with accurate information in the recent months. A total of over 900 updates have been entered since February 2021. The information from CN's yard audit performed last year has all been entered into Spectrum-E resulting in over 1300 new and updated records.

Enhanced Train Control (ETC)/Positive Train Control (PTC)

A sub-committee has been formed from members of the Wireless Communications Committee (WCC) whose railroads will be implementing ETC (CN Rail, CP Rail, Metrolinx, and VIA). The goal of the sub-committee is to determine the radio communications requirements of an ETC system which will allow the railroad industry to formulate a clear request to Transport Canada. The sub-committee will evaluate various technologies and provide a report to the ETC Lead Team. Transport Canada has agreed to work with ISSED in obtaining spectrum for the implementation of ETC.

The RAC has been holding meetings with the AAR about the 220 MHz border sharing agreement between the Canadian and American governments. The present rules are preventing deployment of the Canadian PTC primary channels on the US side of the US-Canada border area (consisting of a 75-mile zone on either side of the border) which is impacting the PTC network in the United States.

Metrolinx Dispatch

The RAC was successful in identifying 20 very narrow band frequencies for Metrolinx to use for their new radio dispatch system in Toronto. Metrolinx will be turning up its very narrow band digital (NXDN) radio dispatch system starting in June 21 of this year.

US 900 MHz Re-Banding

The Federal Communications Commission (US government agency responsible for managing spectrum) issued the order for the transition of the American 900 MHz railroad spectrum to a new set of frequencies by September 14, 2025. This presents a risk to Canadian railroads still using the spectrum. US railroads have committed to moving off of the frequencies by that date. The existing coordination agreement between the US and Canada identified the channels as being used by the railroad industry. Coordination of these channels was performed between the RAC and American Association of Railroads (AAR).

This agreement will need to be modified since the AAR will no longer coordinate these channels in the US. There are over 1800 radios in operation in Canada and a number of these radios operate in the border zone and may be impacted by any required changes in the agreement between Canada and the US. There are newly anticipated uses and yet to be determined channel plans for the new 900Mhz frequencies around the US border.

The RAC is participating in the AAR Next Generation Head-End End-of-Train (NGHE) project to ensure that the solution will maintain interoperability with Canadian railroads.

RAC WCC Committee Organization

The Chair of the RAC WCC, Kevin Waldern of CP, has announced his retirement as of July 2021. The Committee wishes to express their appreciation to him for the hard work and commitment that he has shown to the RAC over the years and wishes him the best in his retirement. His replacement will be selected at the next WCC meeting.

Workforce Development

The Railway Association of Canada's (RAC) Human Resources Committee is in the process of creating new industry-approved curriculum for conductors that will be issued to approved colleges across Canada this year. RAC, CN, CP and RAC's consultant have been working on the curriculum throughout 2020 and plan to have the curriculum finished by the Fall.

There are five colleges across Canada offering the conductor curriculum: Red River College in Winnipeg, Confederation College in Thunder Bay, British Columbia Institute of Technology, the Southern Alberta Institute of Technology and Lambton College. There is also the possibility of a new college coming on board in 2021 who will deliver a bilingual conductor program.

RAC completed the design of the Career Awareness campaign. However, due to the rail blockades and COVID-19, this has been deferred.

RAC's training initiative for short line railway members was launched in 2019. The initiative focussed on delivering four modules in English: Securing unattended equipment/Rule 112; car air brakes; freight car inspection; and track inspection. RAC sent out a survey at the end of 2019, and the survey results were very positive, and members would like RAC to continue developing modules. Early in 2021, the RAC released its security awareness module and it has been a hit with our short line members. We will be working on getting the modules translated into French over Q2 and Q3.

4.2 POLICY AND ADVOCACY COMMITTEE UPDATE

The Policy and Advocacy Committee will have had its most recent virtual meeting on May 11, 2021, discussing key issues that are provided below.

GOVERNMENT RELATIONS

Federal Budget

On April 19, 2021, Deputy Prime Minister and Minister of Finance, the Honourable Chrystia Freeland, released *Budget 2021: A Recovery Plan for Jobs, Growth, and Resilience*, the Government of Canada's plan to finish the fight against COVID-19 and ensure a robust economic recovery.

The full 724-page budget document can be viewed here: <https://bit.ly/32Quc7M>

The following measures are of particular significance to Canada's railway operators:

Next Step Towards High Frequency Rail in the Toronto-Quebec City Corridor

High frequency rail has the potential to transform passenger rail service in the Toronto-Quebec City corridor, offering faster, more reliable service, and helping to encourage the shift to rail from more polluting modes of transportation.

In 2019, the Government of Canada established a Joint Project Office to explore VIA Rail Canada's high frequency rail project. This effort is critical to making this project a reality for Canadians.

To continue this work, Budget 2021 proposes to provide \$4.4 million in 2021-22 to Transport Canada and VIA Rail Canada to support their work with the Joint Project Office in order to advance due diligence and to de-risk the project.

In addition, Budget 2021 proposes to provide \$491.2 million over six years, starting in 2021-22, to VIA Rail Canada for infrastructure investments that would support the overall success of the high frequency rail project. These investments will help reduce bottlenecks, improve fluidity and connectivity, and allow VIA to take an important step towards high frequency rail in the corridor.

Helping Hard-hit Businesses Hire More Workers

The government wants businesses hit hard by the pandemic to be able to recover and grow by hiring more people so that workers are at the forefront of our recovery:

Budget 2021 proposes to introduce the new Canada Recovery Hiring Program for eligible employers that continue to experience qualifying declines in revenues relative to before the pandemic. The proposed subsidy would offset a portion of the extra costs employers take on as they reopen, either by increasing wages or hours worked, or hiring more staff. This support would only be available for active employees and will be available from June 6 to November 20, 2021. Eligible employers would claim the higher of the Canada Emergency Wage Subsidy or the new proposed subsidy.

As the rates for both the wage subsidy and the hiring program will slowly ramp down over time, employers will have a strong incentive to begin hiring as soon as possible and maximize their benefit.

National Trade Corridors Fund

The National Trade Corridors Fund is well-positioned to spur private-sector investment in Canada's transportation system.

To reduce barriers to trade, help businesses grow, create jobs, and ensure businesses are competitive in the recovery Budget 2021 proposes to invest \$1.9 billion over four years, starting in 2021-22, to recapitalize the National Trade Corridors Fund.

This funding could attract approximately \$2.7 billion from private and other public sector partners, resulting in total investments of \$4.6 billion. This would spur investments in much-needed enhancements to our roads, rail, and shipping routes, build long-term resilience for the Canadian economy, and support internal trade. It would make Canada's transportation system more fluid, supporting economic recovery and increasing prosperity across Canada. Alleviating bottlenecks and congestion will also reduce greenhouse gas emissions in Canada.

Permanent Public Transit Fund

Reliable and accessible public transit gives people faster, cheaper, and cleaner ways of getting around. Investing in it today will create good middle-class jobs, reduce air pollution, help local economies grow, and improve Canadians' quality of life.

On February 10, 2021, the government announced \$14.9 billion over eight years, starting in 2021-22, for public transit projects across Canada. This included new permanent funding of \$3 billion per year for communities across Canada, beginning in 2026-27.

This funding will support new subway lines, light-rail transit and streetcars, electric buses, active transportation infrastructure, and improved rural transit, which will create affordable commuting options in communities and reduce Canada's emissions. It will also provide local governments with the predictable transit funding they need to plan ahead so Canada can keep building more sustainable and livable communities.

Standing Committee on Transport, Infrastructure and Communities

On April 13, 2021, RAC President & CEO Marc Brazeau appeared before the House of Commons Standing Committee on Transport, Infrastructure and Communities (TRAN) on the issue of rail safety. He was accompanied by Tom Brown, Assistant Vice-President of Safety at Canadian National Railway Company and Kyle Mulligan, Chief Engineer at Canadian Pacific Railway.

Their committee appearance can be viewed here: <https://bit.ly/2QMNMim>

This appearance provided the RAC and its members with an excellent opportunity to educate MPs and the public on the Canadian railway industry's strong safety record.

Testimony included a variety of relevant facts and figures on safety investments and innovations, as well as details about Operation Lifesaver, the FCM-RAC Proximity Initiative, and the Safety Culture Improvement Initiative.

The RAC's committee appearance lauded by senior Transport Canada officials, the Office of the Minister of Transport, and RAC members. Not only did it help raise the RAC's profile, but also further enhanced the Association's reputation as a credible and reliable source of fact-based information.

Office of the Minister of Transport

On January 12, 2021, the Hon. Omar Alghabara was promoted to Cabinet as the Minister of Transport. Min. Alghabara brings extensive experience to the Cabinet table, from past work in NGOs and the energy sector to his training in engineering and business. With more than seven years' experience as a Member of Parliament for one of Canada's hubs for innovation and economic development, he recognizes the importance of continued investments in transportation and public transit in order to create opportunities for Canadians and improve their quality of life.

Several personnel changes have also taken place in the Minister's Office since January. Mike Maka has replaced Marc Roy as the Minister's Chief of Staff. It is also worth noting that William Harvey-Blouin, who previously served as a policy advisor and was responsible for the rail file, has left the office. While the search for a new rail advisor continues, Shane McCloskey (Director of Policy) is currently overseeing the file.

The RAC is in regular contact with the Minister's Office, and we continue to build a strong relationship with Min. Alhabra and his staff, to ensure that they are consistently kept informed of the priorities of Canada's railway industry. The RAC also remains committed to further establishing itself as a trusted advisor and primary source of industry facts and data to the Minister and his staff.

Regional Outreach

Over the past several months, the RAC has continued to engage with policymakers and stakeholders throughout the country. Outreach initiatives have been undertaken in Western Canada, Quebec, and Ontario. These have included a significant number of one-on-one meetings, as well a series of virtual town halls.

The RAC filed 2021 Pre-Budget submissions in Ontario and Quebec, and these have led to tangible results for our members. As all levels of government explore ways of restarting the economy in the wake of the COVID-19 pandemic, the RAC will continue to make the case that investments into the rail-based supply chain will generate long-term value for Canada and ensure that Canadians continue to benefit from resilient freight and passenger railway services.

Election Readiness

The current Liberal minority government is now more than two years into its mandate and continues to hold a slim lead in the polls. There is much speculation that a federal election will take place in 2021, however the exact timing remains unknown.

In anticipation of a possible election, the RAC is devising government relations and communications strategies to ensure that our members' policy priorities are accounted for in the various political party platforms. The RAC is also preparing strategic advice to members on how best to become engaged with parties and candidates throughout an election campaign.

Issues Management

Over the past several months, the RAC has been in contact with a variety of Ministers, Parliamentarians, provincial legislators, senior government officials, and industry stakeholders on various issues of importance to RAC members. Our approach has involved greater emphasis on consensus and coalition building on critical policy and regulatory issues.

Topics include COVID-19 supports, restrictions and exemptions, rail safety, pay equity and pay transparency, grade crossings, environmental initiatives, infrastructure investments, tax policy changes, cybersecurity, and many more.

The RAC remains committed to working with all levels of government to ensure that the rail sector continues to be safe, competitive, and sustainable.

Member Engagement

The RAC maintains regular dialogue with its members and continues to develop ways of bringing additional value to them. We remain accessible, responsive, and engaged.

ENVIRONMENT

RAC Environment Chairperson

Emily Mak with Southern Railway of British Columbia Ltd. has taken on the chairperson duties for the RAC Environment Committee. The RAC wishes to acknowledge the contributions of the previous co-chairs, Chantale Després (CN) and David Huck (CP) for their leadership over the last two years.

Carbon Pricing

In December 2020, the federal government announced that the carbon price will increase to \$170 per tonne in 2030. For the 2020 compliance year, the carbon tax is set at \$30 per tonne of CO₂e.

On March 25, 2021, the Supreme Court of Canada ruled that the *Greenhouse Gas Pollution Pricing Act* is constitutional.

The majority of judges noted that global warming causes harm beyond provincial boundaries and that it is a matter of national concern under the “peace, order and good government” clause of the Constitution. Furthermore, the majority noted that the term “carbon tax” has nothing to do with the concept of taxation, as understood in the constitutional context. As such, the fuel and excess emissions charges imposed by the Act are constitutionally valid regulatory charges and not taxes.

Clean Fuel Standard (CFS)

The proposed Clean Fuel Regulations (the proposed Regulations) would require liquid fossil fuel primary suppliers (i.e. producers and importers) to reduce the carbon intensity (CI) of the liquid fossil fuels they produce in and import into Canada from 2016 CI levels by 2.4 gCO₂e/MJ in 2022, increasing to 12 gCO₂e/MJ in 2030. The proposed Regulations would also establish a credit market whereby the annual CI reduction requirement could be met via three main categories of credit-creating actions:

- Actions that reduce the CI of the fossil fuel throughout its lifecycle,
- Supplying low-carbon fuels, and
- Specified end-use fuel switching in transportation.

Parties that are not fossil fuel primary suppliers would be able to participate in the credit market as voluntary credit creators by completing certain actions (e.g. low-carbon fuel producers and importers). In addition, the proposed Regulations would retain the minimum volumetric requirements (at least 5% low CI fuel content in gasoline and 2% low CI fuel content in diesel fuel and light fuel oil) currently set out in the federal Renewable Fuels Regulations (RFR). The RFR would be repealed.

On March 4th, the RAC provided a submission to Environment and Climate Change Canada (ECCC) detailing concerns with the proposed Regulations. Recommendations provided to ECCC include:

- That ECCC reintroduce an energy efficiency ratio (EER) for rail to the Regulation, allowing railroads to generate end-used fuel switching credits under Compliance Category 3.
- That ECCC broaden the definition of transportation end-use fuel switching under Compliance Category 3 to include yard equipment.
- The RAC asks that ECCC protect Canadian railway companies’ commercial agreements with OEMs – and improve ongoing investment certainty – by requiring vendor disclosure of energy density and percent of renewable content whenever a batch of fuel contains more than 5% biodiesel or 30% renewable diesel.
- That ECCC earmark a portion of the compliance fund to support rail specific technology research, development, and deployment

Rail Pathways Initiative

The Pathway Initiative aims to identify short, medium, and long-term GHG reduction opportunities both within the rail sector and enabled by the rail sector through modal shift in alignment with federal priorities to reduce transportation sector GHG emissions. This project has been divided into two phases, of which Phase 1 has been completed.

Phase 1, completed in August 2020, catalogued ongoing and potential activities related to rail sector decarbonization that are led by industry and government, or collaborations between the private and public sectors. It fulfilled the following objectives:

- To develop a common understanding of the current state of rail sector decarbonization in Canada, which can be used as a tool for collaboration between industry and government.
- To create a repository of current federal, provincial and territorial GHG reduction legislative instruments and activities impacting the rail sector; and
- To contribute to next-phase work on a roadmap to achieving future GHG reductions in Canada’s rail sector.

Phase 2 of the Pathways Initiative is leveraging extensive stakeholder engagement to develop a roadmap to deeper decarbonization in the rail sector. This entails establishing a common vision, developing a framework for assessing GHG reduction opportunities, and creating a comprehensive pathway.

Due to high cost, long-lasting equipment with high energy requirements, decarbonizing this sector presents unique challenges. It will require alignment and strategic cooperation from several sectors including academia/research organizations, OEMs, fuel producers/ energy suppliers, rail operators and government bodies. This phase will have the following objectives:

- Develop an analytical framework for assessing GHG reduction opportunities in the rail sector.
- Identify and assess potential GHG reduction measures.
- Create a roadmap framework and work plan for GHG reduction actions.
- Develop and implement a roadmap implementation strategy.

Phase 2 is projected to be completed by the end of June 2021.

Cross-border Movement of Hazardous Waste and Hazardous Recyclable Material Regulations

An industry working group continues to engage with ECCC to raise awareness of current processes that railway companies use for handling shipments of hazardous waste as well as railway's anticipated processes for complying with requirements of the proposed regulations.

Among the issues being raised are:

- The reporting requirement compliance costs under the regulations.
- The logistical challenges in changing the EDI systems to track individual cross-border movements of rail ties.
- The limits to the benefits brought on by the additional reporting requirements included in the regulations.
- Tracking of waste railway ties that are moved interprovincially within Canada when railways are the generator of the waste or recyclable material (i.e. railway ties). The collection and transport of these material does not trigger any of the internal documentation process that is triggered for other movements of hazardous waste/recyclable material.
- The timing to produce a Movement Document when railway companies are carriers of hazardous waste. The working group indicated that railways would not be able to produce the Movement Document while in transit, but after the shipment has been completed.

On February 10, 2021, a draft PELES application was submitted to ECCC for their review to determine suitability of meeting the proposed regulatory requirements. The document was developed with support from railway subject matter experts and Aureus Solutions Inc. Subsequently, the regulations were published in Canada Gazette, Part II, on February 26, 2021 with a coming into force on October 31, 2021.

A period of approximately six months between the final publication of the regulations and the coming into force will allow industry to familiarize themselves with the regulatory requirements and to obtain necessary permits. It is intended that the draft application will allow the RAC to receive valuable feedback on the proposed PELES before the regulations come into force, providing railways with an approved alternative arrangement to meet the regulatory requirements.

Monitoring files: Single-Use Plastic Regulations, Glyphosate, and CEPA

The Government of Canada is taking steps toward eliminating plastic pollution in Canada, including potentially banning or restricting certain harmful single-use plastic products, where warranted and supported by science.

Management framework approach for single-use plastics	
Steps	Details
1. Categorize:	Group single-use plastic items into categories and identify considerations for exemptions: <ul style="list-style-type: none"> 1. environmentally problematic 2. value recovery problematic

2. Set management objectives:	For priority categories, determine which objective in the waste management hierarchy should be pursued: (1) eliminate or reduce from the Canadian market, or (2) increase recycling or recovery rate.
3. Choose an instrument:	Based on the objective chosen for each product, choose the appropriate instrument to achieve the goal informed by the <i>Instrument Choice Framework for Risk Management under the Canadian Environmental Protection Act</i> .

Items being considered for a ban include:

- Checkout bags
- Stir sticks
- Beverage six-pack rings
- Cutlery
- Straws
- Food packaging made from plastics that are difficult to recycle

Regulations will be finalized by the end of 2021.

Glyphosate Monitoring

Statements and reports published by Health Canada and the U.S. Environmental Protection Agency since January 2019 have indicated that the use of glyphosate (active ingredient in Roundup) does not increase risks to human health when the product is used in accordance with its label.

Health Canada continues granting registration of products containing glyphosate for sale and use in Canada, with changes to product labels to provide Canadians with additional information on how to use these products safely.

Railways have an interest in the product since it is used for vegetation control along rail right of way. Environmental Non-Government Organizations (ENGOS) continue to push back against Health Canada's 2017 revaluation of glyphosate however no new statements have been issued by Health Canada.

Laval, QC has become the first city in Quebec to ban the use of glyphosate through a bylaw adopted on April 13, 2021. The City of Montreal is considering a similar ban. Other Canadian jurisdictions with restrictions on the use of glyphosate in public spaces include Vancouver and New Brunswick.

Canadian Environmental Protection Act Reform

The RAC continues to monitor developments relative to CEPA reform. On April 8, Minister Wilkinson introduced Bill C-28, *Strengthening Environmental Protection for a Healthier Canada Act*. Proposed key amendments include:

- Recognizing that every individual in Canada has a right to a healthy environment
- Confirmation of the government's commitment to implement the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)
- Recognizing the importance of considering vulnerable populations in risk assessments and of minimizing the risks posed by the cumulative effects of toxic substances
- Endeavouring to reduce, refine or replace the use of animal testing
- Recognizing the importance of Canadians having information regarding the risks of toxic substances, including by labelling products
- Strengthening chemicals management (e.g. risk management, risk communications, research, and monitoring)
- New provision to allow any person to request that the Ministers assess a substance to determine whether it is toxic or capable of becoming toxic.

RAC SAFETY CULTURE IMPROVEMENT INITIATIVE

The Safety Culture Improvement Initiative (SCII) continues to operate in accordance with its 2021 work plan that focuses on:

- Completing safety culture assessments in partnership with Railway Association of Canada (RAC) member companies.
- Developing tools and guidance material to improve safety culture in the railway industry; and
- Educating/informing government officials and stakeholders about the importance of safety culture within the railway industry.

Safety Culture Steering Committee Chairperson

Following the retirement of Mr. Steve Gallagher (Cando Rail & Terminals Ltd.) at the end of 2020, Mr. Keith Nordin (Southern Railway of British Columbia Ltd.) was identified as the new chair of the safety culture steering committee and will be starting this role in the second quarter of 2021.

Safety Culture Assessments

Safety culture assessments have been completed for the Ontario Northland Railway and is nearing completion for Quebec Gatineau Railway. A finalized action plan has been submitted to the RAC Safety Culture Team from ONR and QGRY has submitted a draft of their action plan with a final draft coming soon. The RAC team will shift to the monitoring phase while the railways begin implementing initiatives to enhance their safety culture. The RAC remains available to both railways for any additional support that may be required

Looking forward to the 2021 assessment year, interest in the Safety Culture Improvement Initiative has been building. The RAC released its call for applications in March 2021 and received 3 applications for assessments. These are from the Ottawa Valley Railway (OVR), Universal Rail Systems, and Toronto Terminals Railway (TTR). An assessment framework has been developed to determine assessment order for 2021 which indicates that the preferred order will be OVR to launch the survey in the summer, followed by TTR's survey launch in September / October and then Universal Rail assessment to begin in late fall / early winter going into 2022. Timelines will be reviewed with these railways and may be subject to change due to continued impacts of COVID-19 as well as summer vacations of employees at respective railways.

Transport Canada Safety Culture Policy Statement

In accordance with recommendations made in the Railway Safety Act Review, RAC is supporting Transport Canada's (TC) efforts to develop a safety culture policy statement. Mr. Sam Berrada (of the RAC Safety Culture Team) has been in contact with TC to identify opportunities for the Department to support and advance safety culture in the Canadian rail sector. Mr. Berrada developed a document that provides potential initiatives that the regulator can undertake to support safety culture in the rail industry. Because TC's focus over the past several months continues to be on COVID-19, Regulatory Changes, and briefing the new Minister of Transport, the Department has made minimal progress on the draft safety culture policy statement but is committed to keeping the RAC engaged.

Safety Culture Indicators / Metrics

The 2021 Work Plan pursues the RAC's progress to work with members to develop safety culture indicators to complement the assessment process and enable members to gauge their progress on improving safety culture through a short-focused perception survey. The Safety Culture Indicators / Metrics report shows that safety culture is complex and cannot be described accurately with a single metric.

The report, drafted by Mr. Berrada, identifies several indicators which provide insight and a directional trend of changes in safety culture. The following three indicator categories are identified in the report:

- Perceptions
- Initiatives
- Outcomes

Southern Railway of British Columbia (SRY) has volunteered to pilot the short-focused perception survey in 2021. This will provide an opportunity for SRY to measure the impacts of its safety culture initiatives and for the RAC to learn about the effectiveness of the safety culture indicators in the short-

focused perception survey. Due to the continued impacts of COVID-19, SRY has indicated it prefers to launch this initiative in the fall of 2021.

RAC Safety Culture Focus Group

On December 3rd, 2020 a two-hour long safety culture focus group was held with representatives from Cando Rail, CP Rail, Genesee & Wyoming Railway, Prairie Dog Central Railway, Southern Railway of British Columbia, and VIA Rail, providing a broad range of railway experiences with differing operations and perspectives. The RAC Safety Culture Team facilitated the discussions.

The objectives for the session were to:

- Consult about challenges and opportunities relative to pursuing the journey to assess and strengthen safety culture for the railway industry.
- Solicit feedback on the RAC Safety Culture Improvement Initiative.
- Identify any gaps in the initiative.
- Identify how the RAC can best support railway's safety culture journeys.

To begin the session, a presentation overview of the Safety Culture Improvement Initiative was provided to participants. The presentation provided information on the governance model of the initiative, the safety culture assessment process, leadership training, the compendium of best practices and tools, and safety culture research efforts (e.g., safety culture indicators and short-focused survey). Afterwards, discussion questions were presented to the focus group to help guide conversation. The four discussion questions were:

1. What are your key opportunities and challenges in advancing safety culture?
2. What support do you need to achieve this?
3. What can the RAC do to better support its members in advancing safety culture?
4. How can railway members best support each other in advancing safety culture?

The focus group was productive with the identification of several opportunities which can be advanced to help members strengthen their safety culture. The focus group prioritized the following items for development.

1) Leadership / Management Safety Culture Training

Participants reported that the differing levels of knowledge or understanding of safety culture amongst senior railway leaders and line managers is a challenge to advancing safety culture. An integral factor in developing a strong safety culture is having leadership commitment and buy-in, which encompasses having a good comprehension of what safety culture is. Discussions also indicate that companies are challenged by ensuring that leaders have the support and skills needed to be effective leaders (e.g., knowing how to intervene and understanding how to successfully establish relationships with employees). Additionally, it is perceived that changes amongst leadership can cause discontinuities in an organization's safety culture progression, therefore ensuring that safety culture training is available is key for maintaining knowledge and onboarding of new leaders / managers. This speaks to the need for the RAC to continue with leadership and safety culture training opportunities for railways.

2) Guidance Document on Advancing Safety Culture

Railway members suggested that further support for the safety culture journey be provided in the form of a safety culture standard, or guidance document, which explains the characteristics of a strong safety culture and outlines a practical approach for members to progressively strengthen safety culture. This guidance document would describe the behaviours and characteristics associated with a strong safety culture, how companies can define and brand their culture, and identify best practices which can be used and adapted to make progress while suiting individual company needs.

3) Safety Culture Resource Information and Communication / Awareness Document

Enhancing and increasing communications to RAC members about safety culture resources and best practices was identified as a need. Members felt that they don't necessarily have a good knowledge or easy access to such information. As well, members suggested that a robust communication / awareness document be developed to help them raise the level of knowledge and awareness of safety culture in their company.

4) Peer Review Process

A peer review process for sharing initiatives and best practices amongst RAC members was suggested to facilitate and encourage peer learning and exchange. It was identified that the RAC is in a position to develop and facilitate this amongst its membership. This would allow railways to see what initiatives other railways have implemented relative to safety culture, thereby enabling peer support and learning.

Proposed Next Steps

Based on the feedback from the focus group, the Safety Culture Team plans to address the priority findings through four buckets (below). These buckets are sufficiently broad in scope to address most of the feedback; however, it is important to note that not all feedback may be addressed through these initiatives. The work will continue to evolve as initiatives are completed and additional feedback is received.

The Safety Culture Team will be working in the following areas in 2021 to increase the support available to RAC members to assist with their respective safety culture journeys. This development effort will include consultation with members to ensure that deliverables are aligned with needs and opportunities.

1. Leadership / Management safety culture training

- **Action:** The Safety Culture Team will produce a roadmap of training offerings in Q1 2021.

2. Safety culture resources and communication / awareness document

- **Action:** Two deliverables will be developed:
 - a) a document detailing resources available to members; and
 - b) a safety culture communication / awareness document.

Both will be developed along with a communication strategy in 2021 by the Safety Culture Team.

3. Developing a safety culture guidance document for members

- **Action:** Development of a guidance document to begin after completion of item #2, in collaboration with industry, targeted for the second half of 2021.

4. Develop peer review process for sharing of best practices

- **Action:** Item to be included in 2021 RAC work plan for Q3. An initiative entitled “Peer Safety Culture Sharing Initiative” (below) was launched in Q1-2021 to support the sharing of best practices.

New Safety Culture Initiatives

The RAC Safety Culture Team is introducing new initiatives to increase knowledge and supports available to RAC members relative to safety culture. These include:

- Strategic Safety Culture Development Initiative
- Peer Safety Culture Sharing Initiative
- Safety Culture Assessment Railway Commitment

Strategic Safety Culture Development Initiative

Objectives:

1. Enhance and elevate safety culture knowledge of steering committee members by leveraging external experts.
2. Provide ongoing safety culture education to steering committee members, in order to:
 - Elevate strategic safety culture knowledge.
 - Provide updates on research and advancements.
 - Connect safety culture with railway issues and opportunities.
 - Provide a foundation for members to partake in the formulation of the steering committee vision, initiatives and development efforts.

Concept:

1. Initiate 'Strategic Safety Culture Development' initiative with 2 educational installments on Leadership delivered by Dr. Mark Fleming:
 - Educational installments to be delivered during safety culture steering committees.
 - Duration will be approximately 15 – 20 minutes.
 - Initial installments will cover:
 - ✓ Critical role of leadership and line management in a strong safety culture.
 - ✓ Effective leadership skills and interventions.
 - ✓ Leadership and Line management Training – progressing from singular training events to a development process.
2. Following the initial educational installments on leadership delivered by Dr. Fleming on March 12, a second installment will be delivered at the next safety culture steering committee meeting, and subsequently the intent will be to consult with the steering committee to identify additional themes which are relevant and valuable to members, for subsequent 'Strategic Safety Culture Development' installments.

Peer Safety Culture Sharing Initiative**Objectives**

- Leverage the strengths and experience of safety culture steering committee members by creating a process to share and exchange safety culture practices and experience amongst members
- Leverage collective knowledge, best practices and experience for the benefit of all members.
- Understand common challenges and opportunities faced by members, as well as approaches which have been successful.
- Create a catalyst for sharing and learning, as well as identifying development opportunities.
- Create opportunities for members to connect, partner and support each other.

Concept

1. **Inception:**
 - A short survey* was sent to steering committee members in March in order to identify the key issues and opportunities faced by members in advancing safety culture.
 - Results will be analysed and shared with members for purposes of identifying the top 3 most significant / relevant issues and opportunities.
2. **Process:**
 - RAC Safety Culture team to develop agenda and process for starting initiative during a steering committee meeting in 2021. The intent is to integrate this initiative with a safety culture steering committee meeting agenda.
 - Theme, agenda and process will be shared with steering committee members in Q2 – 2021.
 - Members will be asked to come to the next steering committee prepared to present / discuss their experience, best practices (if available), challenges, opportunities and/or development opportunities for the specific theme identified.
 - RAC Safety Culture Team to take notes during 'Peer Safety Culture Sharing' process and share with members for subsequent consultation and prioritization.
 - The key themes will be reviewed / updated at the beginning of each year for purposes of identifying one theme each year to use this initiative.

* Survey Link: https://smuniversity.qualtrics.com/jfe/form/SV_bQpMhLTlqU28q7c

Safety Culture Assessment – Railway Commitment

A document, entitled “Safety Culture Assessment – Railway Commitment” was developed and shared with the safety culture steering committee to enable members to fully understand the safety culture assessment process, including roles, responsibilities, and expectations.

This document complements existing RAC documents and is expected to help members who undertake a safety culture assessment to engage effectively in each of the steps, and thereby achieve a positive outcome which will meet their objectives.

FCM-RAC Proximity Initiative – Spring 2021 Update

The Federation of Canadian Municipalities (FCM) – Railway Association of Canada (RAC) Proximity Initiative continues to work with stakeholders to raise awareness of rail safety and to promote the adoption of the *Guidelines for New Development in Proximity to Railway Operations* by municipalities and provincial governments across the country.

Advocacy Update

Meetings have been held with the following stakeholders.

Municipalities	PTAs	Provincial Ministers	Provincial Departments	Port Authorities	Federal Officials	Other
Toronto	AUMA	Ontario Minister of Transportation	Manitoba Municipal Relations Planning Department	Port of Montreal	Transport Canada Rail Safety Directorate	Dillon Consulting
Winnipeg	RMA	Alberta Minister of Transportation & Infrastructure	BC Municipal Affairs Planning Department	Port of Vancouver	Lloyd Longfield, MP for Guelph	
Pitt Meadows, BC	UBCM	Manitoba Minister of Infrastructure	Alberta Infrastructure Chief of Staff and Policy Advisor			
District of North Vancouver	SUMA	Manitoba Minister of Economic Development	Alberta Ministry of Jobs, Economy and Innovation			
Langley City, BC	Nova Scotia Federation of Municipalities	Saskatchewan Minister of Highways	Alberta Ministry of Indigenous Affairs			
Township of Langley, BC		Saskatchewan Minister of Agriculture				
Port Coquitlam		Alberta Minister of Municipal Affairs				
Montreal						

These engagements have allowed the proximity initiative to raise awareness of the guidelines with stakeholders. As a result, the guidelines will be officially enacted in both Winnipeg and by the Manitoba Municipal Relations Planning Department as they are responsible for reviewing and approving local developments outside of Winnipeg and Brandon.

Alberta Minister of Transport has agreed to work with the proximity initiative and to promote adoption of the proximity guidelines.

Transport Canada Statement of Support

Transport Canada will be officially endorsing the proximity guidelines with an official policy statement of support. TC is in the process of gathering support through the Ministers Roundtable to solicit provincial ministers' support as well. It is anticipated that federal government support will help with encouraging provinces, municipalities, and territories to incorporate the proximity guidelines in their regulatory frameworks and/or land use plans. TC continues to update the Proximity Initiative on development of the statement as publication is TBD at this time.

Proximity Guidelines Update

- The Proximity Guidelines were last updated in 2013. As we are approaching our nearly 10-year anniversary of the update and nearly 20 years since its inception, it is time to review the guidelines once again.
- To date, we are happy to report that 120 municipalities have adopted the guidelines fully or in part. This is a first step in ensuring that our communities can remain safe and consistent development considerations will help mitigate development issues for communities. Being that FCM represents nearly 2000 communities, it is imperative that this number increase. It is interesting to note that most of the communities that have adopted the guidelines are from eastern Canada. This tells us that there is tremendous opportunity for us to continue to promote the guidelines from coast to coast.
- Jenelle Saskiw proposed that the steering committee establish a formal working group to review the guidelines. She suggested that the committee follow a similar format to review the guidelines as was done in 2013. She would like us to establish a working group made up of municipal leaders, industry representatives and stakeholders that can share pertinent information. She will also be contacting those communities that have adopted the guidelines to get some “testimonials” and create benchmarks that can be used to help us promote the guidelines. If we have positive endorsement from communities, it will help us promote them in the future.
- Once the committee is established, it will focus on:
 - 1) Gathering data from municipalities. Why have they adopted the guidelines, did it mitigate issues. Why has your community not adopted the guidelines?
 - 2) Gathering data from railway partners and technical experts
 - 3) Reviewing the guidelines and implementing changes if/where necessary
 - 4) Promote new guidelines and increase adoption rate.
- Gaps as identified by stakeholders include clarifying guidelines for commercial and industrial developments, developing guidelines for locations with limited physical space where a 30m setback is not feasible (e.g., urban intensification), and raised railway infrastructure.

Steering Committee

The steering committee held a virtual meeting on Monday March 15, 2021. Notable discussion items include:

- There has been an increase in proximity issues over the last year received by CN, CP, the CTA, and Metrolinx. This may be attributed to the impacts of the pandemic as most citizens are spending more time at home thus becoming more aware of proximity issues during the day.
- The Committee discussed how to measure the benefits of adopting the guidelines. This is an item that will require continued engagements with municipalities that have already adopted the guidelines as it may be somewhat difficult to quantify livability.

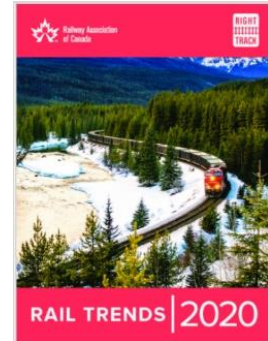
- An FAQ document was developed and published on the proximity initiative website:
<https://www.proximityissues.ca/proximity-initiative-frequently-answered-questions-faq/>

RAIL TRENDS REPORT

Rail Trends 2020

On March 12, 2021, RAC released Rail Trends 2020 – showcasing the performance of member railways over the 2010 to 2019 period (<https://www.railcan.ca/news/another-strong-year-for-canadian-railways/>).

Overall, the report found that 2019 was another strong year for RAC members. While setting all-time records in passenger trips, investment, and taxes paid to Canadian governments, they continued to deliver in the key areas of safety, innovation, environmental stewardship and growth.



The report highlights key achievements of RAC members, including:

- In 2019, members originated 47 per cent more carloads and moved 47 per cent more passengers than they did in 2010.
- RAC passenger railway members achieved a new milestone of completing over 100 million passenger trips, removing cars from our congested roads and making our cities more livable.
- RAC members' top priority has always been safety and our collective actions in this area in 2019 speak to this commitment. Despite their impressive safety record, Canada's railways continue to make significant annual investments in training, infrastructure and leading-edge safety technologies.
- Over the past decade, the freight accident rate has decreased by 20 per cent and the passenger accident rate has decreased by 59 per cent to less than 0.5 accidents per million travellers.
- Over the last decade, RAC members invested \$19.5 billion into their Canadian networks.
- From 2010 to 2019, Canada's railways provided \$13.8 billion in taxes to Canadian governments.

Rail Trends Database

The data collected for Rail Trends 2020 was added to RAC's Rail Trends database, which the RAC continues to rely upon to support its many functions, from advocacy, to communications and research. The database also supports the production of the Rail Trends report, Locomotive Emissions Monitoring (LEM) report, RAC presentations, and various infographics that promote rail's achievements across the four pillars of Right Track:

- rail's outstanding safety record.
- investments in technology and innovation.
- environmental benefits and contribution to fighting climate change; as well as
- economic impacts and contributions to growth.

Rail Trends 2021 - Timeline

Rail Trends 2021 has begun on an accelerated production schedule. Rail Trends surveys were sent out to members on April 13th, 2021 (2 months earlier than the Rail Trends 2020 surveys, which were sent out in early June 2020). We are now targeting a Rail Trends 2021 report release date of October 4, 2021.

Survey Improvements in 2021

The Rail Trends 2021 survey has been improved to facilitate completion. Enhanced instructions were added to the Excel document for ease-of-reference and many cells have been pre-populated with formulas and drop-down menus to reduce the burden of data entry and enhance accuracy.

New questions were added to the survey to enhance RAC's ability to advocate on behalf of members and promote the industry. New fields include diversity representation of the workforce; rail-related services provided (such as railcar storage); value of goods transported; customers served; as well as additional details on the locomotive fleet (required for production of the LEM report).

Canadian Rail Atlas

The Canadian Rail Atlas is a user-friendly, interactive map of Canada's nearly 43,000-kilometre railway network.

In April 2021, the Atlas was updated with enhanced layer data as well as new user capabilities.



Updated Data

Data was updated for:

- Canadian and U.S. rail lines
- TRANSCAER events (up to the end of 2020)
- Industrial Facilities (2019 data that was released in March 2021)
- TSB Rail Occurrences (up to March 2021)
- Electoral Ridings
- Protected Areas (most recent issue)
- Operation Lifesaver (events and other data layers)

Enhanced Functionality

Rail Atlas users can now filter data more easily, which greatly improves the functionality of the Atlas. By filtering data, users can create custom maps and view the data that they are most interested in. For example, users can now view railways by the carrier's legislator, track status, carrier type and category (freight, passenger, Class 1, commuter, shortline, etc.). Users can filter data by year and narrow down the selection to specific attributes (for example, rather than viewing all accidents, the user could narrow their selection to crossing accidents, at crossings equipped with automated warning devices, in 2018). The filtering function is only available to RAC members and staff when using a login and is not available to the general public.

Atlas Support

RAC is available to provide basic training on the Atlas for members upon request (please email Jonathan Thibault at jthibault@railcan.ca).

2018 Locomotive Emissions Monitoring Report

The 2018 LEM Report will be the first report under the current (2018-2022) MOU between the RAC and Transport Canada for Reducing Locomotive Emissions.

In fall 2020, RAC performed a thorough review of its database, spanning the 2010 to 2019 period, and corrected a variety of data inconsistencies. There were three types of revisions made to the historical data:

1. Revised Estimates: As new data became available, historical estimates were revised.
2. Measurement System (Metric vs Imperial): It was identified that in some cases, data had been reported using the incorrect measurement system.
3. Orders of Magnitude: In RAC's database, many data points are recorded in thousands (000). It was identified that in some cases, the recorded value did not properly account for this.

Following consultations with the LEM's technical review committee, the revised data was incorporated into the report and an appendix (Appendix I, Statistical Revisions) was added to explain the changes.

As of April 15th, 2021, the report is tracking for publication on April 30th, 2021.

Select key findings from the 2018 LEM Report:

- From 2017 to 2018, Class 1 railways improved their emissions intensity by 0.80%; intercity passenger railways improved their intensity by 0.66%; and regional and shortline railways increased their intensity by 6.69%.
- Since 1990 (the report's reference year), the emissions intensity of freight railways has improved by 45%.
- Since 1990, freight traffic, as measured by revenue tonne-kilometres, has increased by 95.2%; and intercity passenger traffic has increased by 25.6%.

- Since 1990, nitrous oxide emissions intensity has decreased by 68.6%.
- In 2018, Canadian railways added Tier 3 and Tier 4 locomotives to their fleets, as they retired uncontrolled and lower-tiered locomotives. Over 2,000 locomotives were equipped with anti-idling devices.

2019 LEM Report

Work for the 2019 LEM Report is currently underway. Initial data calculations were completed in March 2021, and as of April 15th, the workbooks are being reviewed by RAC's consultant – Delphi. The 2019 LEM Report is targeting a publication date of September 2021.

Data analysis and support

Website data updates in Winter 2021

Transitioning RAC's website into the go to source for rail data:

- Data across the entire RAC website was updated following the release of Rail Trends 2020 and incorporates the results of the forthcoming 2018 LEM.
- New infographics have been added to the *Resources* page of the website, which include the latest data.
- RAC's modal shift estimates and the GHG calculator have been updated using the most recent data. According to the latest estimates, shifting just 10 per cent of freight from trucks to rail would reduce GHG emissions by 4.1 megatonnes of CO₂ equivalent.
- Updated key industry statistics: railway's share of inter-city freight traffic and exports; and value of goods moved.

Budget Analysis and pre-budget submissions

Provided data to bolster RAC's 2021 Ontario and Quebec pre-budget submissions.

Shortline Committee

At the November 2020 Shortline Committee, a presentation of select trends in Canada's shortline railway industry was presented. The presentation included key trends in shortline freight traffic, employment and compensation, productivity, freight rates, and operating ratios.

The presentation provided a fresh perspective of the shortline industry, as trends within the shortline industry are often overshadowed in the industry data by the sheer size of the Class 1s.

Western Outreach

Provided data and analysis to support western outreach: provincial rail sector profiles; job impacts; value of goods transported; provincial freight portfolios.

RAC's submission regarding the proposal to amend the *Transportation Information Regulations*

In February 2021, developed RAC's submission to TC regarding the "Proposal to Amend the Transportation Information Regulations to Collect Service and Performance Information as well as Waybill, Train, and Traffic Data from Class 1 Rail Carriers".

RAC's submission highlighted 5 key concerns with TC's proposal:

1. Increase in reporting burden for Class 1 railways
2. Public availability of commercially sensitive and competitive information
3. Imbalance with other partners of the supply chain
4. Consistent treatment of Class 1 railways
5. Public safety and security concerns

TRAN committee preparation

Prepared briefing materials (facts & figures; speaking points) to support RAC, CN, and CP's appearance before the House of Commons Standing Committee on Transport, Infrastructure and Communities (TRAN) on April 13, 2021.

Operation Lifesaver

Supporting OL through analysis of crossing and trespassing accident data by various factors (time of day, vehicle types, track types, crossing warning device type, accident causes, locations, injuries and fatalities, etc.).

Safety Campaign

In March, key safety messages were put together and used across social media platforms following the release of the AG report on rail safety.

Using data to advise RAC's strategic decisions

Over the past few months, data analysis and information gathering has been undertaken in support the RAC leadership team.

Exploration of new data

On March 3, 2021, the RAC held an internal lunch and learn, where data that is not regularly used by RAC was explored. A follow-up session will take place soon to discuss how this data can be incorporated into new/updated infographics, support advocacy and communications, and the production of a quarterly report for members.

Areas of data explored:

- Canadian economic performance
- Monthly freight data; data by commodity by province
- Class 1 weekly freight data (RTMs, RTMs by commodity)
- Freight rates and inflation
- Grain
- Exports
- Crude
- Fluidity at ports
- Weekly rail data
- Commuter and urban transit ridership (COVID-19 impacts)
- Tourism expenditures on passenger rail vs other tourism industries (COVID-19 impacts)
- Intercity rail transportation (COVID-19 impacts)
- Rail Safety

Myth Busting

In March 2021, to support the RAC leadership team, a body of evidence was put together to dispel myths (outlined below) regarding Canada's railway industry.

- 1) Railways can and should be shipping more than they do.
 - a. Railways give priority movement to higher revenue loads, so grain sits.
 - b. Grain is least profitable (MRE) so the railways choose to move other commodities.
- 2) Railways operations are not impacted during inclement weather such as rain (e.g., Vancouver Port) or during extreme cold temperatures such as in the winters in Canada – and operate the same as during more temperate conditions.
- 3) Railways are the number one cause of supply chain interruption (e.g., vessels cannot safely load when it is raining; the solution lies with government and port operators versus the railroad.).
- 4) Railways lack vision and innovation.

Railways are not collaborative and do not engage with stakeholders.

WORKFORCE DEVELOPMENT

The Railway Association of Canada (RAC) Human Resources Committee is in the process of creating new industry-approved curriculum for conductors that will be issued to approved colleges across Canada this year. The RAC, CN, CP and its consultant have been working on the curriculum throughout 2020 and plans to have the curriculum finished by the Fall.

There are five colleges across Canada offering the conductor curriculum: Red River College in Winnipeg, Confederation College in Thunder Bay, British Columbia Institute of Technology (BCIT), the Southern Alberta Institute of Technology (SAIT) and Lambton College. There is a possibility of a new college coming on board in 2021 who will deliver a bilingual conductor program.

RAC completed the design of the Career Awareness campaign. However, due to the rail blockades and COVID-19, this has been deferred.

RAC's training initiative for short line railway members was launched in 2019. The initiative focussed on delivering four modules in English: Securing unattended equipment/Rule 112; car air brakes; freight car inspection; and track inspection. RAC sent out a survey at the end of 2019, and the survey results were positive, and members would like RAC to continue developing modules. Early in 2021, the RAC released its security awareness module and it has been a hit with our short line members. We will be getting the modules translated into French over Q2 and Q3.

SHORTLINE UPDATE

The inaugural meeting of the revived shortlines committee (SL Committee) was held on November 23, 2020. It gathered approximately 25 shortlines. Topics on the agenda were Committee governance, shortlines industry profile, RAC reporting on relevant advocacy efforts and roundtable discussion. These SL Committee meetings will be held twice a year (Spring and Fall). The next SL Committee meeting is scheduled on May 19, 2021. The Terms of reference of the SL Committee are currently under review. The creation of a shortlines steering committee that would meet on a more regular basis is also contemplated.

13 one-on-one meetings with shortlines were conducted in Q1 following the SL Committee of November 2020 to discuss advocacy opportunities and general collaboration/assistance from RAC. High participation and quick turnaround time for confirmation of attendance to upcoming SL Committee meeting on May 19, 2021. Chuck Baker, the President and CEO of the American Short Line and Regional Railroad Association (ASLRRA) is confirmed as guest speaker.

Our three prebudget submissions (Quebec, Ontario and Federal) each contained a recommendation supporting the creation/enhancement of funding programs dedicated to shortlines. It is worth noting that Quebec followed RAC recommendation concerning the renewal and enhancement of its rail infrastructure and intermodal program (*Programme de soutien aux infrastructures de transport ferroviaire et à l'intégration modale – PSITFIM*), i.e. to (i) renew/extend the program, (ii) increase funding/amounts available, and (iii) extend eligibility to federally regulated shortlines.

PASSENGER RAIL UPDATE

First meeting of committee on May 10th. An update of this meeting will be provided during the PAC meeting.

Agenda:

- We will re-establish committee Terms of Reference and priorities / Actions required
- Have an Operation Lifesaver presentation in response to high trespassing incidents on passenger rail networks
- Roundtable discussion: about how to attract passengers back to rail and discuss possible anticipated requirements for travel
- Set up subsequent meetings for 2021 to execute action plan

EVENTS

The Railway Association (RAC) hosts a number of events each year to help promote the rail industry. Whether it is courses, Lunch and Learns or conferences, the RAC aims at being a one-stop shop to deliver useful and timely information to government, members and stakeholders.

RAC has had to change tactics due to the COVID-19 pandemic, as most events in the past were in person, we have pivoted to online platforms and it has really opened the RAC up to deliver more sessions and have more participants attend.

Following is a snapshot of 2021 Q1 events that have taken place in January 2021 through to the present, as well, a listing of upcoming events the RAC will be hosting throughout the remainder of the year and is subject to change as diverging subjects and challenges arise.

Q1/Q2 Status update

Event	Purpose & Audience
Lunch and Learns	<p>RAC reached out to the Bank of Canada to deliver a fiscal update to RAC members and associate members. On January 20, the Bank of Canada delivered their Monetary Policy update briefing and the RAC was able to invite members and associate members to attend.</p> <p>Toward the end of 2020, Transport Canada reached out to the RAC to help them deliver a session on the rail supplier and manufacturing sector. The RAC reached out to its associate members and put together a 4-part series, starting with the basics of locknuts and ending with the manufacturing of locomotives and how technology is changing them. These series of sessions were delivered on February 2-3 and February 24-25. Feedback from Transport Canada was extremely positive.</p> <p>On February 17, the RAC hosted a Lunch and Learn for members and associate members. Angus Reid presented on Canadian perceptions during Covid-19 with a focus on passenger and tourism rail. They asked Canadians what the likelihood of returning to travel via train would be post-vaccine. Kevin Page, Chief Executive Officer, New Institute of Fiscal Studies and Democracy, University of Ottawa delivered the second part of the session and spoke about the fiscal state of Canada and the world and projections of economic recovery.</p> <p>On March 17, the RAC Dangerous Goods Team gave a one hour session on the services they provide, including TRANSCAER training, Incident Command Systems 100 (ICS 100) training, along with many other services they provide to our members and associate members out in the field.</p> <p>In addition to external L&L sessions, we have held a number of internal ones for RAC staff focusing on new rail data and the rail atlas.</p> <p>RAC will also continue its RAC's Board of Directors L&L series for RAC staff members.</p>
Rail 101 – formerly Railway Operations Live	<p>On March 23-24, the RAC hosted 60 paying Transport Canada employees and provided them a 5-hour course on railway operations and track maintenance. We filmed hours of footage at Essex Terminals Railway and pieced together a virtual course on railway operations. The purpose of these types of sessions is to educate and inform Transport Canada about why railways operate the way they do and to help dispel railway myths. Feedback was 100% positive.</p>

Upcoming events

Event	Purpose & Audience	Timing
Business of Rail	<p>The RAC continues its outreach with provincial governments. The first session will be held on May 5 with the government of British Columbia and the themes will be environment and safety. Towards the end of May/early June, we will focus on the government of Alberta and its theme will be the movement of energy and dangerous goods.</p>	<p>May 5/ End of May/ September</p>

	In the Fall, the RAC plans to hold another session with the government of Quebec. This will be in follow-up from the session we held in September of 2020 to keep the lines of communication open.	
Women in Rail	This inaugural event being held to showcase the wonderful job women in business are doing each and every day; whether you are operating in a yard, running a locomotive, or heading the Board of Directors at one of Canada's railways, women are excelling in the workforce. This event will be two hours over a two-day period.	May 25-26
Lunch & Learns	There are a number of Lunch and Learns planned for the remainder of the year. One will focus on RAC's Right Track program. We want to ensure all members are aware of the program and what it entails. We will hold another one on CCPX911. It will be a virtual tour of the training tank car that the RAC's Dangerous Goods Team use to provide training to members. We will hold another one on the mechanical services offered by the RAC Mechanical team. We will also hold one on sustainability and what that term means in the rail industry.	Q2/Q3/Q4
Rail 101	While we are hopeful that we will be able to deliver in-person Railway Operations Live in the Fall, in the event we cannot, we will deliver another Rail 101 session for Transport Canada. We will also open to other departments like the CTA and TSB.	August
Research and Development workshop	The RAC is working with the University of Alberta and Transport Canada on a Research and Development virtual workshop for early November. This workshop will bring together academics, government and industry to share information on new research being developed in the area of rail innovation.	November 9-10
RAC Holiday Reception and Awards ceremony	Every year, the RAC hosts a reception to thank industry, government and stakeholders for their collaboration over the last year. We also use this opportunity to hand out RAC's Safety and Environment Awards	Early December

RAC MEMBERSHIP

RAC 2021 MEMBER RAILWAYS

Alberta Prairie Railway
Amtrak
ArcelorMittal Infrastructure Canada s.e.n.c.
Barrie-Collingwood Railway
Battle River Railway, NGC Inc.
BCR Properties Ltd.
Big Sky Rail Corp
BNSF Railway Company
Boundary Trail Railway Co.
Cape Breton & Central Nova Scotia Railway
Capital Railway
Carlton Trail Railway
Central Manitoba Railway Inc.
Chemin de fer Arnaud Québec
CN
Compagnie du Chemin de Fer Lanaudière Inc.
CP
CSX Transportation Inc.
Eastern Maine Railway Company
Essex Terminal Railway Company
exo
GIO Rail Holdings Corporation
Goderich-Exeter Railway Company Limited
Great Canadian Railtour Company Ltd.
Great Western Railway Ltd.
Hudson Bay Railway
Huron Central Railway Inc.
Keewatin Railway Company
Knob Lake and Timmins Railway
Last Mountain Railway

Metrolinx
New Brunswick Southern Railway Company Limited
Nipissing Central Railway Company
Norfolk Southern Railway
Ontario Northland Transportation Commission
Ontario Southland Railway Inc.
Orangeville Brampton Railway
Ottawa Valley Railway
Prairie Dog Central Railway – Vintage Locomotive Society Inc.
Québec Gatineau Railway Inc.
Québec Iron Ore Inc.
Québec North Shore and Labrador Railway Company Inc.
Roberval and Saguenay Railway Company
Romaine River Railway Company
SFP Pointe-Noire
Société du chemin de fer de la Gaspésie
South Simcoe Railway
Southern Ontario Railway
Southern Railway of British Columbia Ltd.
St. Lawrence & Atlantic Railroad (Québec) Inc.
Toronto Terminals Railway Company Limited
Train Touristique de Charlevoix Inc.
Tshuettin Rail Transportation Inc.
Union Pacific Railroad Company
VIA Rail Canada Inc.
West Coast Express Ltd.
White Pass and Yukon Route Railroad



RAC 2021 ASSOCIATE MEMBER RAILWAYS

Absopulse Electronics Ltd.
Amsted Rail
Ashcroft Terminal
Atlantic Industries Limited
Bayside Canadian Railway
British Columbia Institute of Technology
CAD Railway Industries Ltd.
Canadian Heartland Training Railway Services Inc.
Canadian Rail Research Laboratory
Canadian Urban Transit Association
Cando Rail & Terminals Ltd
Cégep de Sept-Iles
Confederation College of Applied Arts and Technology
CPCS Transcom Limited
Crescent Point Energy
Davanac Inc.
Dillon Consulting Limited
Dominion Railway Services Ltd.
Drain-All Ltd.
Forma-Train
Frauscher Sensor Technology USA Inc.
GATX Rail Canada Corporation
Groupe Pelletier Entretien
Harsco Rail
J Lanfranco Fastener Systems Inc
Jade Acoustics Inc.
Jones Rail Industries Ltd.
Koch Fertilizer Canada ULC
L.A. Hébert Ltée

McCarthy Tétrault
Messer Canada Inc.
Montréal Port Authority
NARSTCO
Ontario Steel Haulers Inc.
PNR Railworks Inc.
Rail Cantech
RailTerm
RailVision Analytics
Rail-Werx Inc.
Red River College
RTC Rail Solutions Ltd
Sait Polytechnic
Sands Bulk Transport
Sandy Cooke Consulting Inc.
SC3 Automation Inc
Société du port ferroviaire de Baie-Comeau (SOPOR)
Soulanges Railway Services Inc.
Stantec Inc.
Suncor Energy Products Partnership
Toromont Cat
Torq Transloading
T-Rail Products Inc.
Tybo Contracting Ltd.
Universal Rail Systems
VIP Rail ULC
Wabtec Corporation
Walker Industries Inc.
Whiting Equipment Canada
Wi-Tronix, Inc.
X-Rail Signalisation Inc.

4.3 COMMUNICATIONS AND MEDIA RELATIONS

Right Track

The Right Track initiative was launched last year and is now moving to the implementation phase. The goal is to legitimize Right Track as the gold standard for sustainability in the rail industry.

The Sustainability working group has identified an opportunity for the RAC to use the Right Track program and take an industry leadership role in promoting sustainability and streamlining what this means and the language we use in the industry.

We will work with the Sustainability Working Group to establish industry sustainability policy position and work on elaborating the Right Track Code.

Actively engage SWG to gather feedback and input on key files (Bill C-15, CFS, ECCC Healthy Environment and a Healthy Economy document)

Leverage KPI data to fully utilize social & digital media to reach our various stakeholder groups

COVID-19 has continued to mean that we have a more captive audience on social media as people in general are scrolling more and this has allowed us to grow our overall audience across all three social media channels.

Some events highlights for 2021 – more information can be found in the Events section of the PAC report. We have conducted seven lunch & learn events so far in 2021, 3 Business of Rail events are planned, and we held Rail 101 virtually for the first time in April. The event was a huge success, and we received 100% positive feedback from survey respondents.

On the digital media front, we have hired Aline Porrior in the role of Digital Media Specialist. This has enabled the RAC to create more content, in a more tailored fashion and much more quickly. We will also be providing social media training to all staff:

- More tailored
- Ability to do custom posts quickly
- More responsiveness
- Staff Training

Update from October 2020 Deliverables

1. Design & launch “Interchange 2.0”

Interchange 2.0, a quarterly magazine, has been replaced by the RAC monthly newsletter. Each month, we profile one member, one associate member and one RAC staff member.

[January 2021](#)

[February 2021](#)

[March 2021](#)

[April 2021](#)

2. Develop communications products to address importance of rail to regional & local economies and communities.

a. Infosheets

We now have a full suite of info sheets to answer various information needs from our stakeholders. These infosheets can also be used for advocacy purposes with elected officials and bureaucrats as they offer a quick, data-driven snapshot of each topic they cover. They are also useful leave behinds for meetings, and a reason to re-connect with stakeholders after virtual meetings and to offer more information about the industry.

The full list of infosheets currently available:

1. [Canada's Railway Profile](#)
2. [Canada's Shortline Railway Profile](#)
3. Canada's Railways: Part of the Climate Change Solution
4. Canada's Railways: Delivery for the Future Economy
5. Rail Trends: Continued Growth for Canada's Rail Industry (Snapshot of 2019 Rail Trends data)
6. Staying on Track to Fight Climate Change
7. Safety First: The Canadian Railway Guarantee

Upcoming collateral:

1. Proximity Program
2. Right Track Sustainability Framework
3. Safety Culture brochure update

b. Standard Presentation Deck

A new standard presentation deck has also been developed, using the same, visually impactful, data-driven approach reflected in the infosheet. These slides are updated on an ongoing basis, ensuring that any staff member making a presentation to any stakeholder is always using the latest available data.

A sample of the slides included in the RAC Standard Presentation Deck can be viewed the appendix.

3. Work with CN & CP to help support their promotion efforts of their grain reports.

We continue to work with CN & CP on issues of importance for Canada's Class 1 railways and will continue to do so. Examples include: [Grain Reports](#), [Winter Preparedness](#) and [Grade-Crossing regulations](#).

CN & CP continue to provide assistance to the RAC such as providing technical experts during the [RAC appearance in front of the House of Commons Steering Committee on Transport, Infrastructure and Communities](#).

4. Develop specific campaigns to build reputational capital and tell the rail story related to innovation, sustainability and now more than ever: reliability and scalability.

Launching in early May the primary campaign objective is to improve reputation and build awareness of RAC and the rail sector amongst key audiences: decision makers, politicians, and relevant stakeholders within the federal political ecosystem. The secondary objective is to show the rail industry as a modern, green industry that is not only forward looking but can continue to help meet essential demands within the Canadian supply chain and create good-paying jobs.

The creative concepts that have been developed seek to expand on three key ideas. The first, is to demonstrate to our audiences that there is a need to kickstart the Canadian economy through investing in shovel-ready rail projects, and large infrastructure. The second, is to tell the story of the rail sector's commitment to environmental excellence, focused on low carbon movement of passengers and products. And finally, to highlight the investments and collaboration that have gone into rail safety.

You can see an example of the campaign concepts in the appendix.



**OPERATION
LIFESAVER**



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Operation Lifesaver Canada Update

Operation Lifesaver (OL) Canada continued to make solid progress on its objectives over the past six months. The following is a summary of its key activities and deliverables from January 2020 – May 2021.

OL's 40th Anniversary

In celebration of its 40th anniversary this year, OL produced and launched [two new videos](#) in early 2021 featuring a diverse group of Rail Safety Ambassadors. The videos highlighted their life-saving work and encouraged others to consider volunteering their time with OL to promote rail safety. The videos were promoted through a campaign on Facebook and YouTube/Google Adwords in February and March which generated 1,518,857 impressions, 335,263 video views, and hundreds of new social media followers. In addition, a dozen new Ambassadors have signed up to help spread the rail safety message with OL in the last 6 months.



#STOPTrackTragedies campaign

In March, OL launched a robust two-week radio and digital media campaign with Bell Media and other key broadcasters to promote its #STOPTrackTragedies messaging in hotspot communities across Canada. OL's ads aired more than 2,300 times on 42 radio stations in 20 markets. In addition, Bell provided more than 1.8 million "un-skippable" video views/impressions across its various websites (CTV News, TSN, Discovery Channel, etc.). Many [smaller incident hotspot markets](#) were targeted through this campaign, with the goal of reaching new listeners/viewers that hadn't seen or heard OL's message as part of the 2020 Rail Safety Week campaign. Overall, the campaign reached more than 3.8 million listeners and generated close to 2 million video views. The Bell Media campaign alone



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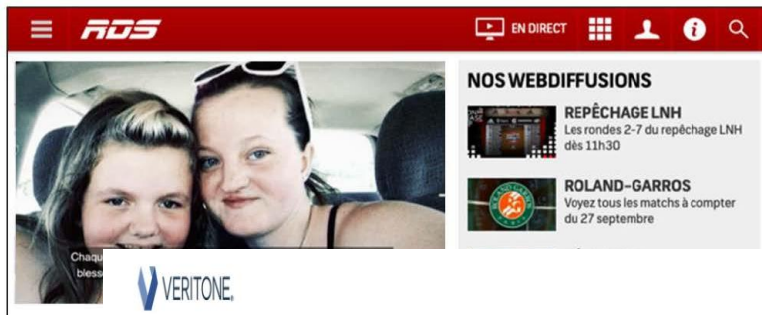
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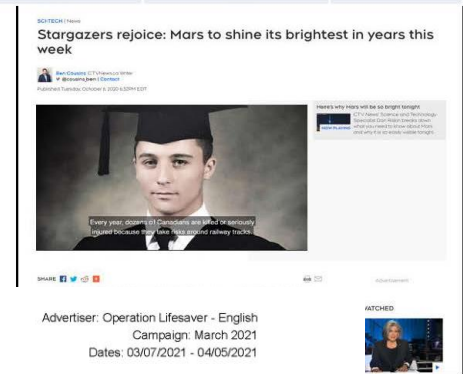
generated close to 5,000 visits to STOPTrackTragedies.ca, and had a digital ad click-through rate of 0.36% (above the industry average).

Municipal Outreach: New Animated Videos

Advertiser : OPERATION LIFESAVER CANADA						
17219_Network-Operation Lifesaver Canada - Preroll-						
Campaign Name : March '21						
Campaign Summary						
Order	Line item	Line item start date	Line item end date	Ad server impressions	Ad server clicks	Ad server CTR
17219_Network-Operation Lifesaver Canada - Preroll-March '21	99719_Bell Media (EN) - RON - All Platforms - :15 Preroll	3/15/21	3/28/21	21,905	70	0.32%
17219_Network-Operation Lifesaver Canada - Preroll-March '21	99723_Bell Media (EN) - RON - Desktop & Mobile Web - :15 Outstream	3/15/21	3/28/21	1,787,139	6,422	0.36%
17219_Network-Operation Lifesaver Canada - Preroll-March '21	99741_TSN (EN) - ROS - All Platforms - :15 Preroll	3/15/21	3/28/21	3,215	25	0.78%
17219_Network-Operation Lifesaver Canada - Preroll-March '21	99747_TSN (EN) - ROS - Desktop & Mobile Web - :15 Outstream	3/15/21	3/28/21	16,100	72	0.45%
Total				1,828,359	6,589	0.36%



Web Analytics



In January,

OL also launched [four new animated videos](#) (2 English, 2 French) as part of its [Rail Safety Toolkit for Canadian Municipalities](#). The goal was to create videos that were lighter in tone than the



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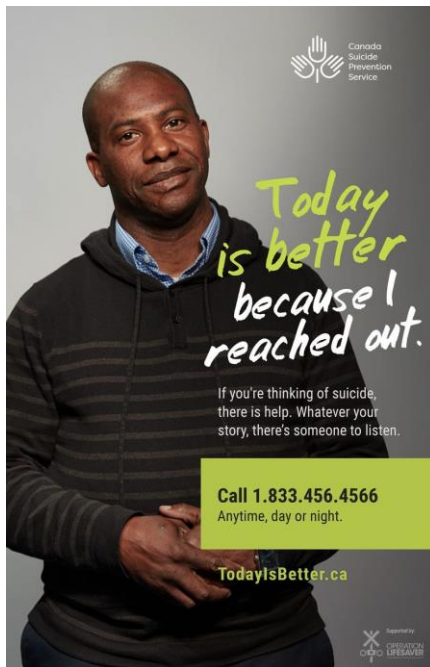
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#STOPTrackTragedies campaign, and that could convey the rail safety message even with the sound turned off. The videos were promoted through a social and digital media campaign on Facebook and YouTube/Google Adwords which generated more than 541,000 video views and 888,000 impressions. OL has also been reaching out to municipalities across Canada to encourage them to play the videos on screens in city halls, arenas, and other public buildings, and for local cable stations to play them as public service announcements. The Aboriginal Peoples Television Network (APTN), the Valemount Community Channel in B.C., TVYou in Alberta, Access TV in Saskatchewan, Rogers TV and YourTV in Ontario, NousTV and TV 09 Laval in Quebec, and Rogers TV in New Brunswick and Newfoundland are now airing OL's rail safety content on their channels through in-kind donations of airtime.

Today is Better — Ça Va Mieux Campaign



OL will be launching its bilingual *Today is Better* suicide-prevention public-awareness campaign in May. The campaign consists of 11 poignant and hopeful videos (six English and five French), featuring the personal stories of Canadians who have experienced suicidal thoughts but sought help.

Today is Better will be promoted through a paid social and digital advertising campaign in areas of concern for rail suicide across Canada, and through in-kind ads on the TransLink, exo and Metrolinx rail networks, and on the Toronto Transit Commission's subway platforms. OL's rail partners will also be installing more than 3,000 signs (pictured above) along their rights-of-way to promote the Canada Suicide Prevention Service (or Québec's 1-866-APPELLE hotline) to people who may be trespassing on rail property and in distress. OL's mental health and rail partners will



also promote *Today is Better* through organic social media posts in support of the campaign launch.



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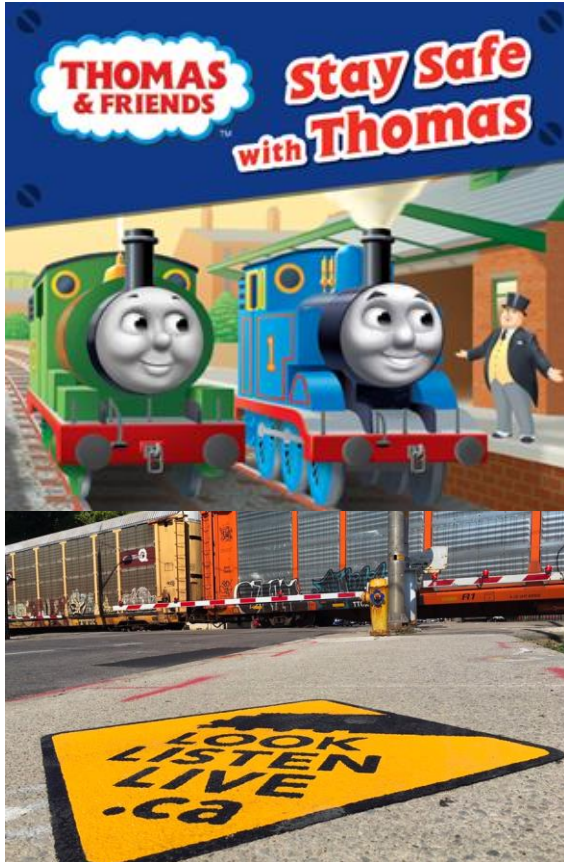
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e-mail: admin@operationlifesaver.ca

Rail Safety Week – September 20-26, 2021



This September, OL plans to launch its Thomas & Friends campaign (featuring rail-safety activity and storybooks and an interactive website for children of all ages) as part of Rail Safety Week. It is unclear whether in-person Rail Safety Week events will be feasible because of the ongoing pandemic, however a Thomas-themed event would be an ideal way to engage children and adults alike about the importance of rail safety.

OL also plans to re-broadcast its latest #STOPTrackTragedies videos through a paid campaign during Rail Safety Week 2021, in an effort to reach older target audiences. OL will also be unveiling more rail safety decals in communities from coast to coast throughout the week, and has already reached out to 27 communities (10 of which have confirmed) to encourage their participation in OL's [Look. Listen. Live. Community Safety Partnership Program](#). Finally, OL will also be partnering with OLI and Amtrak on Operation Clear Track again this year, with the goal of engaging more than 500 Canadian police departments and detachments in rail safety outreach and enforcement activities throughout Rail Safety Week.

For more information about Operation Lifesaver Canada and its initiatives, please contact:

Sarah Mayes
National Director
Operation Lifesaver Canada
smayes@railcan.ca

5. TREASURER'S REPORT**5.1 Finance & Audit Committee Report**

The Committee met by virtual meeting on April 29, 2021.

2020 Audit

The Committee was briefed on the audit of RAC's consolidated financial statements and Operation Lifesaver Canada's financial statements for the year ended December 31, 2020. There were no issues of concern. PricewaterhouseCoopers (PwC) discussed their report and briefed the committee on ESG (environmental, social, and governance) insights. (Audit report and draft audited financial statements are appended as **TAB 5.1**). Regarding details of the Financial Statements, Ms. Kazaka can briefly review the highlights and answer any questions from Board members. The Finance and Audit Committee reviewed these statements and has recommended their acceptance by the Board of Directors.

The Auditors met in camera with Finance and Audit Committee members, and, if desired, Mr. Peters, can report on these discussions.

RESOLUTION 2021- :

It was moved by _____ and seconded by _____, that, as recommended by the Finance and Audit Committee, both the Audit Report and the audited Financial Statements for RAC for 2020 be and are hereby approved and accepted by the Directors.

Note to Chair: Audited financial statements will require signature by the Chairman and another Director.

RESOLUTION 2021- :

It was moved by _____ and seconded by _____, that, as recommended by the Finance and Audit Committee, the audited Financial Statements for Operation Lifesaver Canada for 2020 be and are hereby approved and accepted by the Directors.

Key Risks Heat Map & Risk Assessment

The Committee reviewed the Key Risks Heat Map, showing areas of focus and the potential risk to industry, and RAC's Risk Assessment model, showing elements of likelihood and impact to RAC operations. Statement 7 (Financial category) - "Performance of rail sector" risk assessment has decreased from "high" to "medium" as COVID-19's impact has been on certain rail sectors rather than the entire rail sector.

2021 Budget

The committee was presented with an update to RAC's 3-year plan taking into account the higher than projected Net Assets after 2020 results and the factors contributing to the positive variance.

The committee determined that a review of RAC's Net Asset policy is warranted to establish appropriate levels of Net Assets. Analysis of appropriate levels will take into consideration: CRA policies regarding NFP assets, operational cash flow requirements, strategic initiatives, IT requirements, etc. and will be discussed at the fall committee meeting.

2021 FINANCIAL UPDATE (SEE TAB 5.2)

As at the end of March 2021, the organization is within its budget with a positive budget variance of approximately \$37,000. Receivables are closely monitored. All government remittances are current.

The Railway Association of Canada and Operation Lifesaver audit results for the year ended December 31, 2020

For presentation to the Finance and Audit Committee
April 29, 2021



A message from your engagement leaders

We are pleased to provide you with the results of our audits of the financial statements of The Railway Association of Canada and Operation Lifesaver Canada (together, the Association) for the year ended December 31, 2020.

The accompanying report is prepared to assist you in your review of the financial statements. It includes an update on the status of our work, as well as a discussion on the significant audit, accounting and financial reporting matters and insights from our audit that we believe would be of greatest interest to the Finance and Audit Committee.

The scope and proposed focus of our audit work was summarised in our audit plan. We have subsequently reviewed our audit plan and, concluded that our original risk assessment remains appropriate.

We have substantially completed our audit work and will be issuing unqualified audit opinions on the financial statements, pending resolution of outstanding items noted in this report.

On behalf of our team, we hope that you, your loved ones, and your colleagues are all safe and well. The ongoing safety and well-being of our clients, staff, and communities remains our number one priority. If you have any questions or concerns, please do not hesitate to contact Melanie at +1 613 755 4342 or melanie.a.platt@pwc.com or Simon at +1 613 782 2993 or simon.lavigne@pwc.com.

Yours very truly,

/s/PricewaterhouseCoopers LLP

Melanie Platt, CPA, CA
Engagement leader

Simon Lavigne, CPA, CA, LPA
Partner



On behalf of our team, we would like to express our sincere gratitude to the management and staff of The Railway Association of Canada for their cooperation and assistance throughout the course of our audits.”



Simon Lavigne
Partner, Assurance



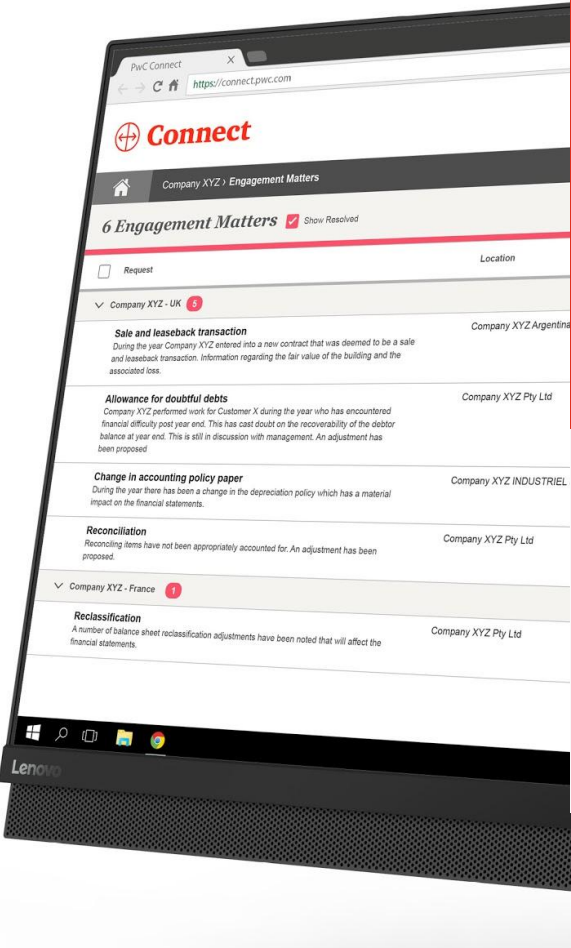
Melanie Platt
Director, Assurance

Status of the audit

- We have substantially completed our audit of the 2020 financial statements.

The following items are outstanding at the time of mailing and need to be addressed before we can issue our auditor’s report. We will provide an update on the status of these items at our upcoming meeting.

 1. Receipt of signed management representation letter (Appendix 1)
 2. Board of Directors' approval of the financial statements.
 3. Preparation of the T2 Corporate income Tax return and T1044 NPO information returns.



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Requests

Significant audit, accounting and financial reporting matters

Audit risks and results

Risk of fraud in revenue recognition

Background information

Auditing standards assume a rebuttable presumption that there is a significant risk of fraud in revenue recognition in all organizations.

We considered the risk to be related to the existence and cut-off for Members' assessment and Transport Canada revenue.

PwC's views

As planned, we have performed the following procedures:

- Updated our understanding of the potential risks of fraud related to revenue recognition.
- Updated our understanding and evaluated the internal controls over revenue recognition.
- Obtained a high level of substantive evidence related to the specific risk of fraud in revenue recognition.
- Performed testing of journal entries related to revenue recognition.

Based on our procedures performed, we have not identified any indication of fraud as a result of improper revenue recognition.

Significant audit, accounting and financial reporting matters

Audit risks and results

Management override of controls

Background information

There is an inherent risk of fraud in all entities of potential management override of controls over financial reporting. This is a required significant risk under auditing standards.

PwC's views

As planned, we have performed the following procedures:

- Understood management's assessment of fraud risk and the overall control environment, including any changes in the design or operation of controls during the year. This included understanding the tone of the business and relevant controls.
- Performed discussions with management to understand any new risks or matters identified.
- Obtained a list of journal entries and confirmed its completeness. A sample of journal entries was tested for unusual account combinations, focusing on riskier journals and periods.
- Performed unpredictable testing of certain balances; for example, varying the scope and/or timing of certain procedures.
- Tested significant accounting estimates, if applicable, for potential management biases applying professional skepticism, performing retrospective reviews, and corroborating management's explanations with supporting evidence.

Based on the results of the procedures above, we have not identified any instances of management override of controls that are indicative of fraud.

Audit findings

Summary of unadjusted and adjusted items

Our responsibility is to issue an opinion as to whether the financial statements are free of material misstatement.

Misstatements, including omissions, are considered to be material if they (individually or in aggregate with other misstatements) could reasonably be expected to influence the economic decisions of users, taken on the basis of the financial statements. Judgments about materiality are made in light of surrounding circumstances and are affected by the size or nature of a misstatement, or a combination of both.

Materiality levels have been updated to \$220,000 for The Railway Association of Canada and \$27,000 for Operation Lifesaver Canada which is based on a benchmark of 3% of total expenses.

Unadjusted items

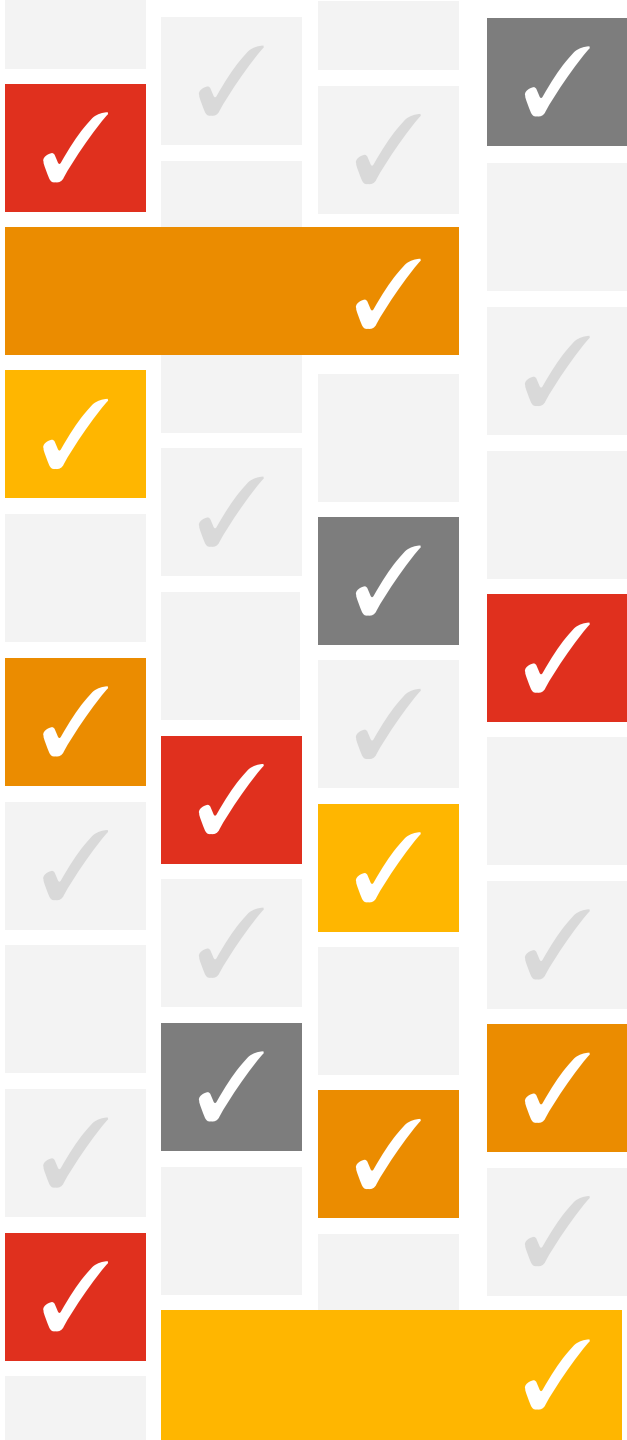
We did not identify any unadjusted items in the financial statements in excess of \$22,000 for The Railway Association of Canada and \$2,700 for Operation Lifesaver Canada.

Adjusted items

No audit adjustments were identified.

Disclosure items

We have not identified any other unadjusted disclosure deficiencies in the financial statements.



Other items for discussion

Required communications

Management's representations	<p>We are required to inform you of the representations we are requesting from management. A copy of the management representation letter is included in Appendix 1.</p> <p>We requested our standard representations.</p>
Independence	<p>We confirm our independence with respect to the Association.</p>
Significant deficiencies in internal control	<p>We have no significant internal control recommendations to report.</p>
Other information	<p>You confirm that you are not required or intend to issue any documents that contain or accompany the financial statements and the auditor's report thereon.</p>
Fraud and illegal acts	<p>No fraud involving senior management or employees with a significant role in internal control or that would cause a material misstatement of the financial statements and no illegal acts came to our attention.</p> <p>We would like to reconfirm that the Finance and Audit Committee is not aware of any such fraud or illegal acts not previously discussed with us.</p>
Subsequent events	<p>We would like to reconfirm that the Finance and Audit Committee is not aware of any subsequent events that should be disclosed in the financial statements.</p>

Appendices

1 Management representation letters

2 PwC Insights and thought leadership
on ESG

Appendix 1

Management representation letter

Client Letterhead

May 12, 2021

PricewaterhouseCoopers LLP
99 Bank Street, Suite 710
Ottawa ON K1P 1E4

We are providing this letter in connection with your audit of the consolidated financial statements of The Railway Association of Canada and its subsidiaries (together, the Association) as at December 31, 2020 and for the year then ended for the purpose of expressing an opinion as to whether such consolidated financial statements present fairly, in all material respects, the financial position of the Association and results of its operations and its cash flows in accordance with Canadian accounting standards for not-for-profit organizations (the consolidated financial statements).

We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 23, 2020.

We confirm the following representations:

- the preparation and fair presentation of the consolidated financial statements are in accordance with Canadian accounting standards for not-for-profit organizations including disclosures;
- we designed, implemented and maintained an effective system of internal control over financial reporting to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error;
- we designed, implemented and maintained an effective system of internal control to prevent and detect fraud;
- we provided you with all relevant information and access, as agreed in the terms of the audit engagement; and
- we ensured all transactions have been recorded in the accounting records and are reflected in the consolidated financial statements.

Preparation of consolidated financial statements

The consolidated financial statements are fairly presented in accordance with Canadian accounting standards for not-for-profit organizations, and include all disclosures necessary for such fair presentation and disclosures otherwise required to be included therein by the laws and regulations to which the Association is subject. We have prepared the Association's consolidated financial statements on the basis that the Association is able to continue as a going concern.

We have appropriately reconciled our books and records (e.g. general ledger accounts) underlying the consolidated financial statements to their related supporting information (e.g. subledger or third party data). All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the consolidated financial statements. There were no material unreconciled differences or material general ledger suspense account items that should have been adjusted or reclassified to another account balance. There were no material general ledger suspense account items written off to a statement of financial position account, which should have been written off to a profit and loss account and vice versa. All consolidating entries have been properly recorded. All intra-entity accounts have been eliminated or appropriately measured and considered for disclosure in the consolidated financial statements.

Other information

We confirm to you that we are not required by law, regulation or custom and do not intend to issue a document (which would include or accompany the consolidated financial statements and our auditor's report thereon) with information on the Association's operations and the Association's financial results and financial position as set out in the consolidated financial statements.

Accounting policies

We confirm that we have reviewed the Association's accounting policies and, having regard to the possible alternative policies, our selection and application of accounting policies and estimation techniques used for the preparation and presentation of the consolidated financial statements is appropriate in the Association's particular circumstances.

Internal control over financial reporting

We have disclosed to you all deficiencies in the design or operation of disclosure controls and procedures and internal control over financial reporting that we are aware.

Minutes

All matters requiring disclosure to or approval of the Board of Directors have been brought before them at appropriate meetings and are reflected in the minutes.

Completeness of transactions

All contractual arrangements entered into by the Association with third parties have been properly reflected in the accounting records or/and, where material (or potentially material) to the consolidated financial statements, have been disclosed to you. the Association has complied with all aspects of contractual agreements that could have a material effect on the consolidated financial statements in the event of non-compliance. There are no side agreements or other arrangements (either written or oral) undisclosed to you.

Fraud

We have disclosed to you:

- the results of our assessment of the risk that the consolidated financial statements may be materially misstated as a result of fraud;
- all information in relation to fraud or suspected fraud of which we are aware affecting the Association involving senior management, management, employees who have significant roles in internal control or others where the fraud could have a material effect on the consolidated financial statements; and
- all information in relation to any allegations of fraud, or suspected fraud, affecting the Association's consolidated financial statements communicated by employees, former employees, analysts, regulators, investors or others.

Disclosure of information

We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the consolidated financial statements, such as records, documentation and other matters including:
 - all financial records and related data;
 - information regarding significant transactions and arrangements that are outside the normal course of business;
 - minutes of the meetings of members, directors and committees of directors. The most recent meetings held were October 15, 2020;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the Association from whom you determined it necessary to obtain audit evidence.

Compliance with laws and regulations

We have disclosed to you all aspects of laws, regulations and contractual agreements that may affect the consolidated financial statements, including any known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the consolidated financial statements.

There have been no communications from regulatory agencies concerning non-compliance with or deficiencies in financial reporting practices.

Accounting estimates and judgments

We are responsible for all significant estimates and judgments affecting the consolidated financial statements. These include fair value measurements and disclosures. The methods, underlying data, and significant assumptions used in developing accounting estimates and the related disclosures are reasonable and appropriate to achieve recognition, measurement, or disclosure in the consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations. The methods used in developing accounting estimates have been consistently applied in the periods presented and the data used in developing accounting estimates is accurate and complete. Accounting estimates and judgments appropriately reflect management's intent and ability to carry out specific courses of action, where relevant. Disclosures related to accounting estimates are complete and reasonable under Canadian accounting standards for not-for-profit organizations. There have been no subsequent events that would require the adjustment of any significant estimates and related disclosures.

Significant estimates and measurement uncertainties known to management that are required to be disclosed in accordance with CPA Canada Handbook Part II, Section 1508, *Measurement Uncertainty*, have been appropriately disclosed.

Related parties

We confirm that we have disclosed to you the identity of the Association's related parties as defined by CPA Canada Handbook Part III Section 4460, *Disclosure of Related Party Transactions by Not-for-Profit Organizations* (CPA Canada Section 4460), and all the related party relationships and transactions.

The identity and relationship of, and balances and transactions with, related parties have been properly recorded and adequately disclosed in the consolidated financial statements as required by CPA Canada Section 4460.

Going concern

There are no events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern.

We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the consolidated financial statements (e.g. to dispose of the business or to cease operations).

Assets and liabilities

We have satisfactory title or control over all assets. There are no liens or encumbrances on the Association's assets and assets pledged as collateral.

We have recorded or disclosed, as appropriate, all liabilities, in accordance with Canadian accounting standards for not-for-profit organizations. All liabilities and contingencies, including those associated with guarantees, whether written or oral, under which the Association is contingently liable in accordance with CPA Canada Handbook, Part II, Accounting Guideline 14, *Disclosure of Guarantees*, or the CPA Canada Handbook, Part II, Section 3290, *Contingencies*, have been disclosed to you and are appropriately reflected in the consolidated financial statements.

Litigation and claims

All known actual or possible litigation and claims, which existed as at December 31, 2020 or exist now, have been disclosed to you and accounted for and disclosed in accordance with Canadian accounting standards for not-for-profit organizations, whether or not they have been discussed with legal counsel.

Misstatements

Certain representations in this letter are described as being limited to those matters that are material. Items are also considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement.

We confirm that the consolidated financial statements are free of material misstatements, including omissions.

We confirm there are no uncorrected misstatements in the consolidated financial statements.

Events after December 31, 2020 date

We have identified all events that occurred between December 31, 2020 and the date of this letter that may require adjustment of, or disclosure in, the consolidated financial statements, and have effected such adjustment or disclosure.

For the following specific representations, the terms “year-end” and “year” are defined as each year-end and each year respectively, covered by the audit of the consolidated financial statements as stated above.

Cash and banks

The books and records properly reflect and record all transactions affecting cash funds, bank accounts and bank indebtedness of the Association.

All cash balances are under the control of the Association, free from assignment or other charges, and unrestricted as to use.

The amount shown for cash on hand or in bank accounts excludes trust or other amounts, which are not the property of the Association.

Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements have been properly disclosed.

All cash and bank accounts of the Association are included in the consolidated financial statements of the Association.

Accounts receivable

All amounts receivable by the Association were recorded in the books and records.

Receivables recorded in the consolidated financial statements represent bona fide claims against debtors for sales or other charges arising on or before the year-end and are not subject to discount except for normal cash discounts. Receivables classified as current do not include any material amounts that are collectible after one year.

Amounts receivable are considered to be fully collectible, in accordance with CPA Canada Handbook, Part II, Section 3856, *Financial Instruments*.

Amounts receivable that are non-interest bearing and are expected to be received more than a year after initial recognition date have been initially recognized at fair value, using an appropriate discount rate, and subsequently measured at amortized cost.

All receivables as at year-end date are free from hypothecation or assignment as security for advances to the Association.

Tangible capital assets

All charges to tangible capital asset accounts represented the actual cost of additions or the fair value at the date of contribution.

No significant additions of tangible capital assets have been charged to repairs and maintenance or other expense accounts.

Carrying values of tangible capital assets sold, destroyed, abandoned or otherwise disposed of have been eliminated from the books and records.

Tangible capital assets owned by the Association have been depreciated on a systematic basis over their estimated useful lives and the provision for depreciation was calculated on a basis consistent with that of the prior year.

During the year, we have reviewed the appropriateness of the depreciation policy, residual values and estimate of useful lives for tangible capital assets taking into account all pertinent factors. Any significant change in our assessment from the prior year has been adequately disclosed and reflected in the consolidated financial statements.

There were no conditions that indicate that any tangible capital assets are impaired. Accordingly, management was not required to write down any tangible capital assets to their fair value or replacement cost during the year.

Accounts payable

Accounts payable that are non-interest bearing and are due to be paid more than a year after the initial recognition date have been classified as long term in the consolidated financial statements, initially recognized at fair value, using an appropriate discount rate, and subsequently measured at amortized cost.

Consolidated statement of operations and statement of changes in net assets

All transactions entered into by the Association have been recorded in the books and records presented to you.

All amounts have been appropriately classified within the consolidated statement of operations and statement of changes in net assets.

The accounting principles and policies followed throughout the year were consistent with the prior year's practices.

Any changes to internal fund restrictions that are reflected in the consolidated financial statements, but not yet approved by the Board of Directors will be approved prior to the Board approving the consolidated financial statements.

Yours truly,

The Railway Association of Canada

Marc Brazeau, President and Chief Executive Officer

Sandra Kazaka, Vice President, Finance and Operations

Client Letterhead

May 12, 2021

PricewaterhouseCoopers LLP
99 Bank Street, Suite 710
Ottawa ON K1P 1E4

We are providing this letter in connection with your audit of the financial statements of Operation Lifesaver Canada (the Corporation) as at December 31, 2020 and for the year then ended for the purpose of expressing an opinion as to whether such financial statements present fairly, in all material respects, the financial position of the Corporation and results of its operations and its cash flows in accordance with Canadian accounting standards for not-for-profit organizations (the financial statements).

We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 23, 2020.

We confirm the following representations:

- the preparation and fair presentation of the financial statements are in accordance with Canadian accounting standards for not-for-profit organizations including disclosures;
- we designed, implemented and maintained an effective system of internal control over financial reporting to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error;
- we designed, implemented and maintained an effective system of internal control to prevent and detect fraud;
- we provided you with all relevant information and access, as agreed in the terms of the audit engagement; and
- we ensured all transactions have been recorded in the accounting records and are reflected in the financial statements.

Preparation of financial statements

The financial statements are fairly presented in accordance with Canadian accounting standards for not-for-profit organizations, and include all disclosures necessary for such fair presentation and disclosures otherwise required to be included therein by the laws and regulations to which the Corporation is subject. We have prepared the Corporation's financial statements on the basis that the Corporation is able to continue as a going concern.

We have appropriately reconciled our books and records (e.g. general ledger accounts) underlying the financial statements to their related supporting information (e.g. subledger or third party data). All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial statements. There were no material unreconciled differences or material general ledger suspense account items that should have been adjusted or reclassified to another account balance. There were no material general ledger suspense account items written off to a statement of financial position account, which should have been written off to a profit and loss account and vice versa.

Other information

We confirm to you that we are not required by law, regulation or custom and do not intend to issue a document (which would include or accompany the financial statements and our auditor's report thereon) with information on the Corporation's operations and the Corporation's financial results and financial position as set out in the financial statements.

Accounting policies

We confirm that we have reviewed the Corporation's accounting policies and, having regard to the possible alternative policies, our selection and application of accounting policies and estimation techniques used for the preparation and presentation of the financial statements is appropriate in the Corporation's particular circumstances.

Internal control over financial reporting

We have disclosed to you all deficiencies in the design or operation of disclosure controls and procedures and internal control over financial reporting that we are aware.

Minutes

All matters requiring disclosure to or approval of the Board of Directors have been brought before them at appropriate meetings and are reflected in the minutes.

Completeness of transactions

All contractual arrangements entered into by the Corporation with third parties have been properly reflected in the accounting records or/and, where material (or potentially material) to the financial statements, have been disclosed to you. the Corporation has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There are no side agreements or other arrangements (either written or oral) undisclosed to you.

Fraud

We have disclosed to you:

- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all information in relation to fraud or suspected fraud of which we are aware affecting the Corporation involving senior management, management, employees who have significant roles in internal control or others where the fraud could have a material effect on the financial statements; and
- all information in relation to any allegations of fraud, or suspected fraud, affecting the Corporation's financial statements communicated by employees, former employees, analysts, regulators, investors or others.

Disclosure of information

We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters including:
 - all financial records and related data;
 - information regarding significant transactions and arrangements that are outside the normal course of business;
 - minutes of the meetings of members, directors and committees of directors. The most recent meetings held were October 15, 2020;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the Corporation from whom you determined it necessary to obtain audit evidence.

Compliance with laws and regulations

We have disclosed to you all aspects of laws, regulations and contractual agreements that may affect the financial statements, including any known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

There have been no communications from regulatory agencies concerning non-compliance with or deficiencies in financial reporting practices.

Accounting estimates and judgments

We are responsible for all significant estimates and judgments affecting the financial statements. These include fair value measurements and disclosures. The significant judgments made have taken into account all relevant information of which we are aware. The methods, underlying data, and significant assumptions used in developing accounting estimates and the related disclosures are reasonable and appropriate to achieve recognition, measurement, or disclosure in the financial statements in accordance with Canadian accounting standards for not-for-profit organizations. The methods used in developing accounting estimates have been consistently applied in the periods presented and the data used in developing accounting estimates is accurate and complete. Accounting estimates and judgments appropriately reflect management's intent and ability to carry out specific courses of action, where relevant. Disclosures related to accounting estimates are complete and reasonable under Canadian accounting standards for not-for-profit organizations. There have been no subsequent events that would require the adjustment of any significant estimates and related disclosures.

Significant estimates and measurement uncertainties known to management that are required to be disclosed in accordance with CPA Canada Handbook Part II, Section 1508, *Measurement Uncertainty*, have been appropriately disclosed.

Related parties

We confirm that we have disclosed to you the identity of the Corporation's related parties as defined by CPA Canada Handbook Part III Section 4460, *Disclosure of Related Party Transactions by Not-for-Profit Organizations* (CPA Canada Section 4460), and all the related party relationships and transactions.

The identity and relationship of, and balances and transactions with, related parties have been properly recorded and adequately disclosed in the financial statements as required by CPA Canada Section 4460.

The Corporation is controlled by the Railway Association of Canada (RAC) and is consolidated into the financial statements of RAC. RAC is therefore the Corporation's sole related party as disclosed in Note 5 to the financial statements.

Going concern

There are no events or conditions that, individually or collectively, may cast significant doubt on the Corporation's ability to continue as a going concern.

We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements (e.g. to dispose of the business or to cease operations).

Assets and liabilities

We have satisfactory title or control over all assets. There are no liens or encumbrances on the Association's assets and assets pledged as collateral.

We have recorded or disclosed, as appropriate, all liabilities, in accordance with Canadian accounting standards for not-for-profit organizations. All liabilities and contingencies, including those associated with guarantees, whether written or oral, under which the Corporation is contingently liable in accordance with CPA Canada Handbook, Part II, Accounting Guideline 14, *Disclosure of Guarantees*, or the CPA Canada Handbook, Part II, Section 3290, *Contingencies*, have been disclosed to you and are appropriately reflected in the financial statements.

Litigation and claims

All known actual or possible litigation and claims, which existed as at December 31, 2020 or exist now, have been disclosed to you and accounted for and disclosed in accordance with Canadian accounting standards for not-for-profit organizations, whether or not they have been discussed with legal counsel.

Misstatements

Certain representations in this letter are described as being limited to those matters that are material. Items are also considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement.

We confirm that the financial statements are free of material misstatements, including omissions.

We confirm there are no uncorrected misstatements in the financial statements.

Events after December 31, 2021 date

We have identified all events that occurred between December 31, 2020 and the date of this letter that may require adjustment of, or disclosure in, the financial statements, and have effected such adjustment or disclosure.

For the following specific representations, the terms “year-end” and “year” are defined as each year-end and each year respectively, covered by the audit of the financial statements as stated above.

Cash and banks

The books and records properly reflect and record all transactions affecting cash funds, bank accounts and bank indebtedness of the Corporation.

All cash balances are under the control of the Corporation, free from assignment or other charges, and unrestricted as to use.

The amount shown for cash on hand or in bank accounts excludes trust or other amounts, which are not the property of the Corporation.

Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line of credit, or similar arrangements have been properly disclosed.

All cash and bank accounts of the Corporation are included in the financial statements of the Corporation.

Accounts receivable

All amounts receivable by the Corporation were recorded in the books and records.

Receivables recorded in the financial statements represent bona fide claims against debtors for sales or other charges arising on or before the year-end and are not subject to discount except for normal cash discounts. Receivables classified as current do not include any material amounts that are collectible after one year.

Amounts receivable are considered to be fully collectible, in accordance with CPA Canada Handbook, Part II, Section 3856, *Financial Instruments*.

All receivables as at year-end date are free from hypothecation or assignment as security for advances to the Corporation.

Accounts payable

Accounts payable that are non-interest bearing and are due to be paid more than a year after the initial recognition date have been classified as long term in the financial statements, initially recognized at fair value, using an appropriate discount rate, and subsequently measured at amortized cost.

Statement of operations and statement of changes in net assets

All transactions entered into by the Corporation have been recorded in the books and records presented to you.

All amounts have been appropriately classified within the statement of operations and statement of changes in net assets.

The accounting principles and policies followed throughout the year were consistent with the prior year's practices.

Yours truly,

Operation Lifesaver Canada

Marc Brazeau, Board of Directors, Operation Lifesaver Canada
President and Chief Executive Officer, Railway Association of Canada

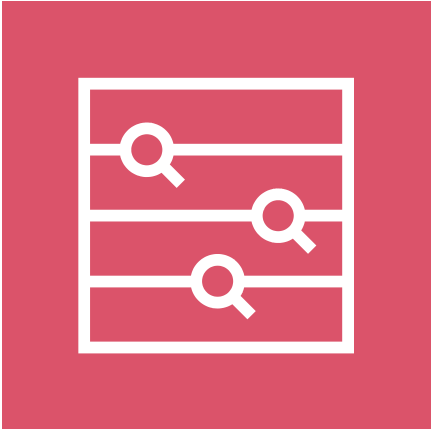
Sandra Kazaka, Secretary/Treasurer, Operation Lifesaver Canada
Vice President, Finance and Operations, Railway Association of Canada

Appendix 2

PwC Insights and thought leadership on ESG

Visit [PwC global sustainability](#) or click on the links below for a selection of PwC publications

- > [Sustainability/ ESG reporting: Why audit committees need to pay attention](#)
- > [ESG: Understanding the issues, the perspectives, and the path forward](#)
- > [How much do you know about ESG? Take our quiz](#)
- > [Podcast: Investor focus on ESG and its impact on corporate reporting](#)
- > [PwC Global sustainability and climate change](#)
- > [Implementing integrated reporting: PwC's practical guide to a new business language](#)
- > [TCFD readiness diagnostic](#)
- > [Private Equity Responsible Investment Survey 2019](#)



The State of Climate Tech 2020

This research is a first-of-its-kind analysis of the state of global



Accelerating the journey to Net Zero

PwC is proud to be a knowledge advisor to Microsoft on its net



Accelerating Sustainable Development in the Fourth Industrial



Ten Years to Midnight

The solutions to the world's most urgent challenges are within reach, but we only have ten

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The matters raised in this and other reports that will flow from the audit are only those that have come to our attention arising from or relevant to our audit that we believe need to be brought to your attention. They are not a comprehensive record of all the matters arising and, in particular, we cannot be held responsible for reporting all risks in your business or all internal control weaknesses. Comments and conclusions should only be taken in context of the financial statements as a whole, as we do not mean to express an opinion on any individual item or accounting estimate. This report has been prepared solely for your use. It was not prepared for, and is not intended for, any other purpose. No other person or entity shall place any reliance upon the accuracy or completeness of statements made herein. PwC does not assume responsibility to any third party, and, in no event, shall PwC have any liability for damages, costs or losses suffered by reason of any reliance upon the contents of this report by any person or entity other than you.

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**The Railway Association
of Canada**

**Consolidated Financial Statements
December 31, 2020**

DRAFT

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**



Independent auditor's report

To the Members of The Railway Association of Canada

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Railway Association of Canada and its subsidiary (together, the Association) as at December 31, 2020 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

What we have audited

The Association's consolidated financial statements comprise:

- the consolidated statement of financial position as at December 31, 2020;
- the consolidated statement of operations and changes in net assets for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
99 Bank Street, Suite 710, Ottawa, Ontario, Canada K1P 1E4
T: +1 613 237 3702, F: +1 613 237 3963

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Association to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
May 12, 2021

The Railway Association of Canada

Consolidated Statement of Financial Position

As at December 31, 2020

	2020 \$	2019 \$
Assets		
Current assets		
Cash	1,115,761	1,279,954
Guaranteed investment certificates (note 3)	3,117,371	3,353,686
Accounts receivable	193,352	347,443
Prepaid expenses	59,686	50,313
	<u>4,486,170</u>	<u>5,031,396</u>
Guaranteed investment certificates (note 3)	560,793	-
Capital assets (note 6)	<u>168,526</u>	<u>227,864</u>
	<u>5,215,489</u>	<u>5,259,260</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	766,728	818,927
Deferred revenue	67,780	58,400
	<u>834,508</u>	<u>877,327</u>
Lease inducement (note 7)	<u>93,769</u>	<u>105,868</u>
	<u>928,277</u>	<u>983,195</u>
Net assets	<u>4,287,212</u>	<u>4,276,065</u>
	<u>5,215,489</u>	<u>5,259,260</u>
Commitments (note 8)		

Approved by the Board of Directors

Director _____ Director

The accompanying notes are an integral part of these consolidated financial statements.

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

The Railway Association of Canada

Consolidated Statement of Operations and Changes in Net Assets

For the year ended December 31, 2020

	2020 \$	2019 \$
Revenue (note 4)		
Members' assessments		
Operating costs	5,513,610	5,506,058
Radio Spectrum licence	1,677,885	1,642,360
Transport Canada	524,212	529,434
Other income	160,769	455,430
	<u>7,876,476</u>	<u>8,133,282</u>
Expense		
Executive group		
Contracted services	12,000	-
Travel, hospitality and miscellaneous	47,347	107,544
	<u>59,347</u>	<u>107,544</u>
Finance and administration		
Contracted services	3,717	2,830
Travel, hospitality and miscellaneous	477,103	105,591
Membership fees	6,186	21,927
Office	590,213	580,867
Professional fees	48,568	28,522
Amortization of capital assets	71,041	97,883
	<u>1,196,828</u>	<u>837,620</u>
Operations and regulatory affairs		
Contracted services	818,773	671,918
Travel, hospitality and miscellaneous	336,720	699,773
Communications	247,293	226,587
Radio Spectrum licence	1,677,885	1,642,360
	<u>3,080,671</u>	<u>3,240,638</u>
Public and corporate affairs		
Contracted services	301,591	734,706
Travel, hospitality and miscellaneous	17,329	58,940
Advocacy projects and media relations	155,282	329,418
	<u>474,202</u>	<u>1,123,064</u>
Salaries and benefits	<u>3,054,281</u>	<u>2,842,335</u>
	<u>7,865,329</u>	<u>8,151,201</u>
Net revenue (expense) for the year	11,147	(17,919)
Net assets – Beginning of year	<u>4,276,065</u>	<u>4,293,984</u>
Net assets – End of year	<u>4,287,212</u>	<u>4,276,065</u>

The accompanying notes are an integral part of these consolidated financial statements.

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

The Railway Association of Canada

Consolidated Statement of Cash Flows

For the year ended December 31, 2020

FINAL DRAFT

	2020 \$	2019 \$
Cash provided by (used in)		
Operating activities		
Net revenue (expense) for the year	11,147	(17,919)
Items not affecting cash		
Amortization of capital assets	71,041	97,883
Amortization of lease inducement	(12,099)	(12,100)
Change in non-cash working capital items		
Accounts receivable	154,091	(138,346)
Prepaid expenses	(9,373)	(17,438)
Accounts payable and accrued liabilities	(52,199)	206,627
Deferred revenue	9,380	(3,562)
	<u>171,988</u>	<u>115,145</u>
Investing activities		
Proceeds on sale of guaranteed investment certificates	5,497,016	2,868,542
Purchases of guaranteed investment certificates	(5,821,494)	(3,441,719)
Purchase of capital assets	(11,703)	(28,588)
	<u>(336,181)</u>	<u>(601,765)</u>
Change in cash during the year	<u>(164,193)</u>	<u>(486,620)</u>
Cash – Beginning of year	<u>1,279,954</u>	<u>1,766,574</u>
Cash – End of year	<u>1,115,761</u>	<u>1,279,954</u>

The accompanying notes are an integral part of these consolidated financial statements.

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

The Railway Association of Canada

Notes to Consolidated Financial Statements

December 31, 2020

1 Nature of activities

The Railway Association of Canada (RAC) is incorporated under the Canada Not-for-Profit Corporations Act.

RAC's responsibilities include the promotion of the interests, safety and efficiency of Canadian railways, and representation of members to governments, other groups or individuals on matters of common interest.

RAC is a not-for-profit organization as defined in subsection 149(1)(l) of the Income Tax Act and as such is exempt from income taxes.

2 Summary of significant accounting policies

These consolidated financial statements are prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO). The Association's significant accounting policies are as follows.

Basis of presentation

RAC controls Operation Lifesaver Canada (the Corporation) as RAC is the Corporation's sole member.

The Corporation is incorporated under the Canada Not-for-Profit Corporations Act.

The Corporation's responsibilities include raising public awareness of the potential hazards of road/railway crossings and the dangers associated with trespassing on railway property in view to reduce accidents, fatalities and injuries along Canada's railways in communities across the country.

The Corporation is a not-for-profit organization as defined in subsection 149(1)(l) of the Income Tax Act and as such is exempt from income taxes.

These consolidated financial statements include the accounts of RAC and the Corporation (collectively, the Association).

Use of estimates

The preparation of consolidated financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Guaranteed investment certificates

Guaranteed investment certificates are recorded at fair value. Changes in fair value are included in net revenue for the year.

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

Capital assets

Capital assets are initially recorded at cost and are then amortized over their estimated useful service lives as follows:

Computer hardware and software	25% straight-line
Office furniture and equipment	20% declining balance

Leasehold improvements are amortized on a straight-line basis over the remaining term of the lease.

Lease inducements

Inducements received to enter into office leases for office space are deferred and amortized on a straight-line basis over the term of the lease as a reduction of office expenses.

Foreign currency translation

Revenues and expenses denominated in US dollars are converted at the exchange rate in effect the day the transaction occurred. Monetary assets and liabilities denominated in US dollars are translated into Canadian dollars at the year-end exchange rate. Gains and losses from the translation of these amounts are reflected in net revenue for the year.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

By agreement, members' operating costs are assessed a flat rate determined by the Board of Directors or a rate based on total Canadian rail revenue.

Annual fees for access to the Radio Spectrum are assessed to participating RAC member lines based on a flat fee or a rate based on total Canadian rail revenue.

Other income includes conference registrations and sponsorships, dangerous goods training, interest, advertising and various grants.

3 Guaranteed investment certificates

Guaranteed investment certificates have yields ranging from 0.75% to 1.88% (2019 – 2.03% to 2.55%), and mature in 2021 and 2022 (2019 – mature in 2020).

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

The Railway Association of Canada

Notes to Consolidated Financial Statements

December 31, 2020

4 Economic dependence

Two members represent 81% (2019 – 78%) of total revenues.

5 Government remittances

Government remittances of \$140 (2019 – nil) are included in accounts payable and accrued liabilities.

6 Capital assets

	2020		2019	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Computer hardware and software	227,708	200,754	26,954	68,990
Office furniture and equipment	320,356	300,476	19,880	21,238
Leasehold improvements	461,536	339,844	121,692	137,636
	1,009,600	841,074	168,526	227,864

Cost and accumulated amortization amounted to \$1,013,959 and \$786,095, respectively as at December 31, 2019.

7 Lease inducement

In 2018, the Association received \$130,067 from the landlord as an inducement to renew the lease for office space. The inducement is being amortized on a straight-line basis over the term of the lease, expiring September 30, 2028 as a reduction of office expenses.

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

8 Commitments

Minimum annual lease payments relating to office space, equipment and vehicles are as follows:

	\$
Year ending December 31, 2021	234,275
2022	203,484
2023	201,986
2024	201,986
2025	205,812
Thereafter	597,544

9 Financial instruments

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure and concentrations. The Association does not use derivative financial instruments to manage its risks.

Investment risk

Investment in financial instruments renders the Association subject to investment risks. Interest risk is the risk arising from fluctuations in interest rates and their degree of volatility. Market risk is the risk to the value of a financial instrument due to fluctuations in market prices, whether these fluctuations are caused by factors specific to the investment itself or to its issuer, or by factors pertinent to all investments on the market. The Association is exposed to interest and market risk through its guaranteed investments certificate (note 3).

Credit risk

The risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Association is exposed to credit risk by the fair value of investments as presented in the statement of financial position. As at December 31, 2020, 84% (2019 – 57%) of accounts receivable is owed from two government departments.

10 COVID-19 Impact

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken by the authorities to contain the virus have affected global and local economic activity. The long-term impact of the outbreak remains uncertain; management is closely monitoring the economic development and any potential impacts there may be on operations.

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

Operation Lifesaver Canada

Financial Statements
December 31, 2020

DRAFT

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**



Independent auditor's report

To the Members of Operation Lifesaver Canada

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Operation Lifesaver Canada (the Association) as at December 31, 2020 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

What we have audited

The Association's financial statements comprise:

- the statement of financial position as at December 31, 2020;
- the statement of operations and changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in *the Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
99 Bank Street, Suite 710, Ottawa, Ontario, Canada K1P 1E4
T: +1 613 237 3702, F: +1 613 237 3963

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern.



If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
May 12, 2021

Operation Lifesaver Canada

Statement of Financial Position

As at December 31, 2020

FINAL DRAFT

	2020 \$	2019 \$
Assets		
Current assets		
Cash	114,744	61,080
Accounts receivable (note 3)	158,777	171,100
Prepaid expenses	1,207	-
	<u>274,728</u>	<u>232,180</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities (note 4)	65,024	35,002
Due to The Railway Association of Canada (note 5)	209,704	197,178
	<u>274,728</u>	<u>232,180</u>
Net assets	<u>-</u>	<u>-</u>
	<u>274,728</u>	<u>232,180</u>

Approved by the Board of Directors

_____ Director _____ Director

The accompanying notes are an integral part of these financial statements.

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

Operation Lifesaver Canada**Statement of Operations and Changes in Net Assets****For the year ended December 31, 2020**

	2020 \$	2019 \$
Revenue		
Member assessment	375,259	514,997
Transport Canada	524,212	529,434
Sponsorship	3,000	-
	902,471	1,044,431
Expense		
Coordinator meetings	11	17,564
Film and duplication	40,446	75,117
Grant and donations	28,000	-
Office and miscellaneous	15,452	15,793
Publicity, printing and supplies	339,091	299,975
Suicide prevention initiative	17,338	95,050
Contracted services	461,884	517,211
Travel	249	23,721
	902,471	1,044,431
Net revenue for the year	-	-
Net assets – Beginning of year	-	-
Net assets – End of year	-	-

The accompanying notes are an integral part of these financial statements.

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

Operation Lifesaver Canada

Statement of Cash Flows

For the year ended December 31, 2020

FINAL DRAFT

	2020 \$	2019 \$
Cash provided by (used in)		
Operating activities		
Net revenue for the year	-	-
Change in non-cash working capital items		
Accounts receivable	12,323	2,332
Prepaid expenses	(1,207)	3,913
Accounts payable and accrued liabilities	30,022	23,818
Due to The Railway Association of Canada	12,526	(80,670)
Change in cash during the year	53,664	(50,607)
Cash – Beginning of year	61,080	111,687
Cash – End of year	114,744	61,080

The accompanying notes are an integral part of these financial statements.

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

Operation Lifesaver Canada**Notes to Financial Statements****December 31, 2020**

1 Nature of activities

Operation Lifesaver Canada (the Association) is incorporated under the Canada Not-for-Profit Corporations Act.

The Association's responsibilities include raising public awareness of the potential hazards of road/railway crossings and the dangers associated with trespassing on railway property in view to reduce accidents, fatalities and injuries along Canada's railways in communities across the country.

The Association is a not-for-profit organization as defined in subsection 149(1)(l) of the Income Tax Act and as such is exempt from income taxes.

2 Summary of significant accounting policies**Use of estimates**

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

3 Accounts receivable

100% (2019 – 99%) of accounts receivable is owed from two government departments.

4 Government remittances

Government remittances of nil (2019 – nil) are included in accounts payable and accrued liabilities.

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

5 Related party balances and transactions

The Association is controlled by The Railway Association of Canada (RAC) as RAC is the Association's sole member.

Amounts owing to RAC are due on demand and are non-interest bearing.

Transactions with RAC are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties involved.

6 COVID-19 Impact

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken by the authorities to contain the virus have affected global and local economic activity. The long-term impact of the outbreak remains uncertain; management is closely monitoring the economic development and any potential impacts there may be on operations.

The Railway Association of Canada
2021 Financial Statements to March 31st

Overall, cash and investments are approximately \$347k more than previous year.

Accounts receivable are approximately \$66k more than previous year. The majority (86%) of outstanding receivables greater than 60 days were received early April. Current amounts reflect receivables from Transport Canada and ETC assessment to members. Monitoring of receivables is ongoing.

There were no Capital expenditures in Q1-2021.

Accounts payable and accrued liabilities are \$277k more than previous year and reflect costs relating to ETC; policy studies, regulatory support and OL expenses.

Deferred revenue increased \$90k over previous year and reflects \$121k of ETC fees; \$15k of OL sponsorship fees versus course revenues of \$46k in 2020.

Lease inducement is being deferred over the remaining term of the lease.

Overall, the organization is within its budget at the end of the first quarter with a positive budget variance of approximately \$37k as each division is marginally underspent.

Overall revenues are below budget by \$4k. Associate member dues are below budget by \$8k, other income is ahead by \$7k primarily due to course revenues.

Overall expenses are \$41k below budget at the end of the first quarter. Each division is marginally underspent as at Q1-2021, including lower office expenses and lower travel costs for field staff (budgeted for on-call requests).

Salary costs are approximately \$10k below budget.

All government remittances are current.

The Railway Association of Canada
Consolidated Statement of Financial Position
March 31, 2021

			2021	2020
			\$	\$
Assets				
Current assets				
Cash			1,327,700	1,826,832
Investments			3,686,493	2,840,427
Accounts Receivable - Net (Note 1)			457,410	441,485
Prepaid Expense			16,243	115,956
			<u>5,487,846</u>	<u>5,224,700</u>
Capital assets				
	Cost	Accumulated		
		Amortization		
	\$	\$		
Computer Equipment	227,708	200,754	26,954	68,990
Office Furniture	320,356	300,476	19,880	24,850
Leasehold Improvements	461,536	339,844	121,692	137,636
	<u>1,009,600</u>	<u>841,074</u>	<u>168,526</u>	<u>231,476</u>
			<u>5,656,372</u>	<u>5,456,176</u>
Liabilities and Net Assets				
Current liabilities				
Accounts Payable & Accrued Liabilities			715,797	438,628
Deferred Revenue			145,360	55,380
			<u>861,157</u>	<u>494,008</u>
Lease inducement			90,744	102,844
Net assets			<u>4,704,471</u>	<u>4,859,324</u>
			<u>5,656,372</u>	<u>5,456,176</u>

Note 1 Aged Accounts Receivable

	Total	Current	31-60	61-90	91+
	\$	\$	\$	\$	\$
2021	427,198	267,487	38,284	121,427	-
2020	440,674	133,566	51,535	154,900	100,673

* Transport Canada 10% Holdback: Current \$78k, Over 90 days \$72k

The Railway Association of Canada
Consolidated Statement of Operations for the Period Ended
March 31, 2021

	Budget 2021 \$ Three Months	Actual 2021 \$ Three Months	Actual 2020 \$ Three Months
Revenues			
Members' Assessment			
Operating costs	1,717,368	1,708,962	1,723,948
ETC Special Assessment	92,325	90,071	
Radio Spectrum	1,707,219	1,707,219	1,677,885
Transport Canada	154,964	153,582	77,794
Interest and other income	22,138	29,766	64,268
	<u>3,694,014</u>	<u>3,689,600</u>	<u>3,543,895</u>
Expenses			
Executive Group			
Contracted services	-	-	-
Travel, hospitality and miscellaneous	12,400	10,365	13,277
	<u>12,400</u>	<u>10,365</u>	<u>13,277</u>
Finance and Administration			
Contracted services	-	-	-
Travel, hospitality and miscellaneous	2,398	2,760	2,335
Membership fees	-	-	-
Office expense	147,372	141,082	143,541
Professional fees	13,700	13,873	3,698
Recruitment/Succession planning	43,500	42,400	6,000
	<u>206,970</u>	<u>200,115</u>	<u>155,574</u>
Operation and Regulatory Affairs			
Contracted services	135,109	133,557	77,169
ETC	117,325	115,071	62,408
Travel, hospitality and miscellaneous	106,802	91,052	90,982
Communications	157,974	159,139	23,507
Radio Spectrum license and maintenance	1,707,219	1,707,227	1,677,885
	<u>2,224,429</u>	<u>2,206,046</u>	<u>1,931,951</u>
Public and Corporate Affairs			
Contracted services	160,525	159,686	79,070
Travel, hospitality and miscellaneous	2,040	162	10,492
Advocacy projects and media relations	11,460	10,667	116,540
	<u>174,025</u>	<u>170,515</u>	<u>206,102</u>
Salaries, benefits and other	<u>695,676</u>	<u>685,300</u>	<u>653,732</u>
Total Expenses	<u>3,313,500</u>	<u>3,272,341</u>	<u>2,960,636</u>
Net revenue for the period	380,514	417,259	583,259
Net assets - Beginning of year	<u>4,287,212</u>	<u>4,287,212</u>	<u>4,276,065</u>
Net assets - End of period	<u>4,667,726</u>	<u>4,704,471</u>	<u>4,859,324</u>
<i>Capital Expenditures</i>	-	-	3,612

The Railway Association of Canada
Statement of Cash Flow for the Period Ended
March 31, 2021

	2021 \$	2020 \$
Cash flows from (used in)		
Operating activities		
Net revenue for the period	417,259	583,259
Item not affecting cash		
Amortization of lease inducement	(3,025)	(3,024)
Change in non-cash working capital items		
Accounts receivable	(264,058)	(94,042)
Prepaid expenses	43,443	(65,643)
Accounts payable and accrued liabilities	(50,931)	(380,299)
Deferred revenue	77,580	(3,020)
	<hr/> 220,268	<hr/> 37,231
Investing activities		
Proceeds on sale of guaranteed investment certificates	916,107	2,043,275
Purchase of guaranteed investment certificates	(924,436)	(1,530,016)
Purchase of capital assets	-	(3,612)
	<hr/> (8,329)	<hr/> 509,647
Net change in cash for the period	211,939	546,878
Cash – Beginning of year	<hr/> 1,115,761	<hr/> 1,279,954
Cash – End of period	<hr/> 1,327,700	<hr/> 1,826,832

5.3 **OPERATION LIFESAVER CANADA**

As RAC is the sole member of Operation Lifesaver Canada, the following resolution covers the requirements under the *Canada Not-for-profit Corporations Act* (“CNCA”) for Operation Lifesaver Canada’s member to: approve the appointment of OL Directors; approve the audited financial statements; and appoint auditors.

Resolution 2021: Resolution in Lieu of Operation Lifesaver Canada 2021 AGM

It was moved by _____, and seconded by _____ to accept the following resolution in lieu of Operation Lifesaver Canada 2021 Annual General Meeting and to have Marc Brazeau, OL Board member sign the resolution in accordance with s.154(7) of the CNCA and retain in Operation Lifesaver Canada’s corporate records
--

Operation Lifesaver Canada / Opération Gareautrain Canada

A Resolution in Lieu of the 2021 Annual General Meeting
in accordance with s. 166(1) of the *Canada Not-for-profit Corporations Act* ("CNCA")

Be it enacted and it is hereby enacted as a resolution of the sole member of Operation Lifesaver Canada / Opération Gareautrain Canada (herein called "the Corporation") that:

1. The Board of Directors of the Corporation have placed the Corporation's 2020 fiscal year Financial Statements including the report of the Corporation's public accountant, PricewaterhouseCoopers, before its sole member, the Railway Association of Canada, in accordance with s. 172(1) of the CNCA and the member has considered and accepts those Financial Statements.
2. PricewaterhouseCoopers is re-appointed as the Corporation's public accountant for the 2021 fiscal year.
3. Appointment of Directors:
 - a) Whereas Cynthia Lulham, Former Project Manager for FCM (Federation of Canadian Municipalities), appointed to the OL Board of Directors on May 12, 2016 has resigned as Director on February 12, 2020. Ms. Jenelle Saskiw, Project Manager FCM/RAC Proximity Initiative, has filled the vacancy left by Ms. Lulham's resignation, and will hold office for the remainder of Ms. Lulham's term to March 2022.
4. The Directors elected until the next AGM (or resolution in lieu of an AGM) shall be:

Stéphane Tardiff, Genesee & Wyoming Canada
Stephen Covey, Canadian National Railway
Martin Gallagher, Metrolinx
Dr. Katy Kamkar, Centre for Addiction and Mental Health
Peter Lambrinakos, VIA Rail Canada
Al Sauve, Canadian Pacific Railway
Michael (Todd) Wallace, West Coast Express
Marc Brazeau, Railway Association of Canada
Jenelle Saskiw, FCM/Proximity Initiative
5. There is no special business for this AGM.
6. This resolution shall be kept with all corporate records and previous members' meeting minutes.

**People.
Goods.
Canada
moves
by rail.**

RAC Strategic Business Plan 2020–2022

EXECUTIVE SUMMARY



Railway Association
of Canada

MISSION STATEMENT

RAC will educate and collaborate with supply chain partners, governments, regulators and other stakeholders and advocate to ensure rail's ongoing role in safely and efficiently moving Canada's goods, resources and people.

VISION STATEMENT

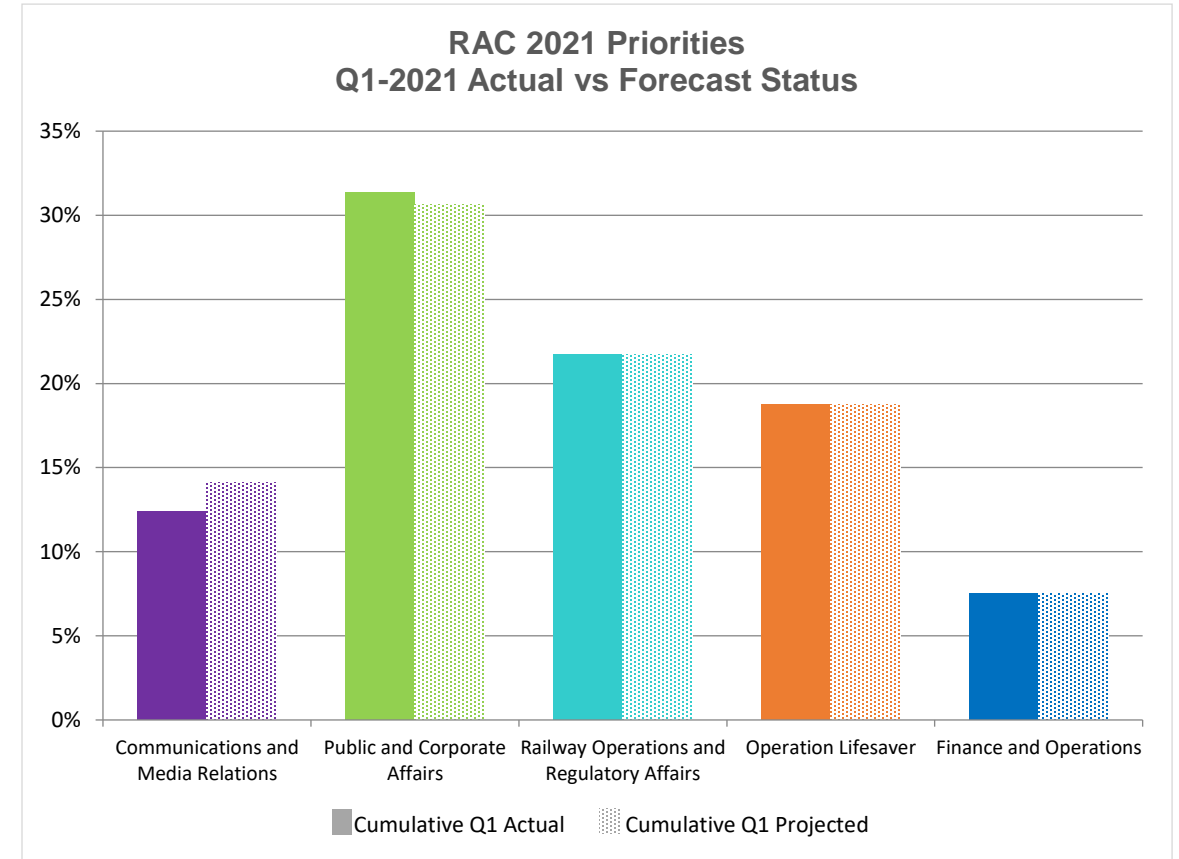
Rail will be valued as Canada's safest, most innovative and fastest growing mode of transportation in the future.

BUSINESS PLAN FOCUS

- **COMMUNICATIONS**
- **PUBLIC AND CORPORATE AFFAIRS**
- **RAILWAY OPERATIONS AND REGULATORY AFFAIRS**
- **OPERATION LIFESAVER**
- **FINANCE AND OPERATIONS**

Business Plan Priorities

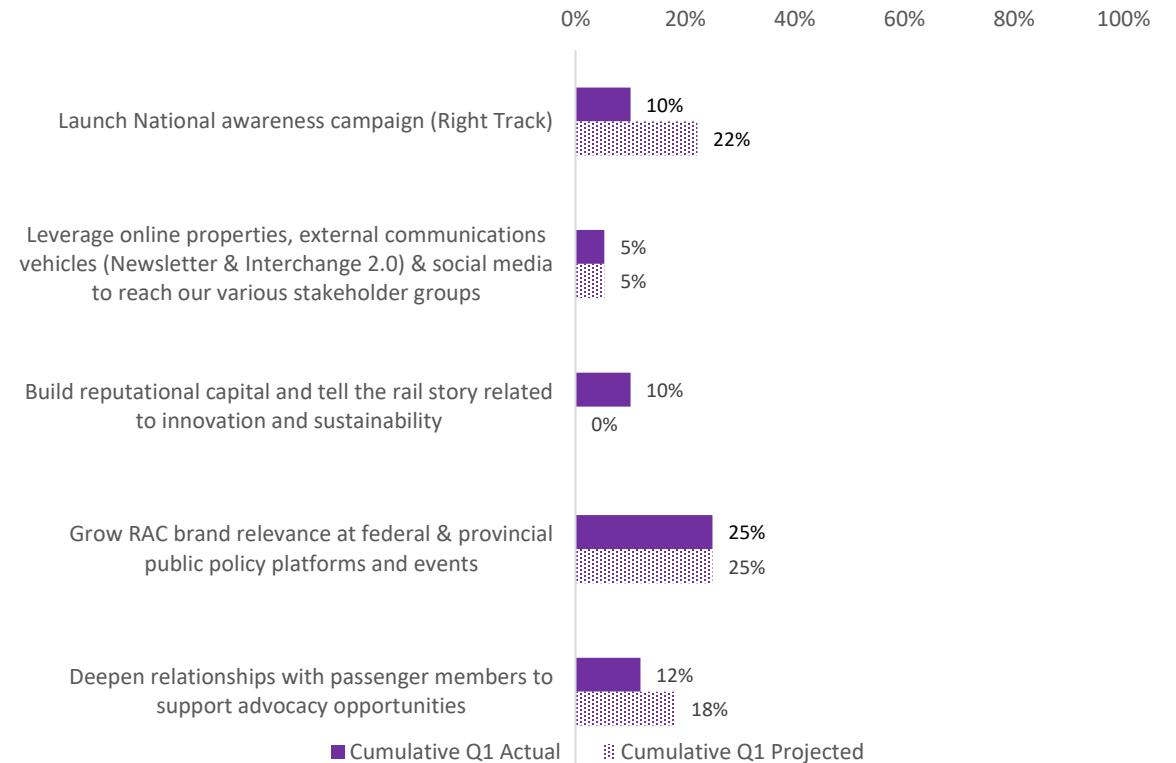
- Social media engagement and reach continues to increase rapidly as a result of COVID pivot
- Federal and provincial advocacy continues to grow and expand
- A number of high priority regulatory issues and files remain active
- Operation Lifesaver sees exponential growth in reach and scope
- Ongoing management of 2021 budget and planning for 2022 to begin with focus on strong net assets



Social and Stakeholder Engagement

- Right Track campaign expected to accelerate post-COVID
- New monthly newsletter well-received and more social media presence and reach
- High interest and participation in RAC webinars on a variety of topics and themes
- Continued visibility with a number of local and provincial stakeholder groups
- Working to re-establish regular passenger rail committee meetings

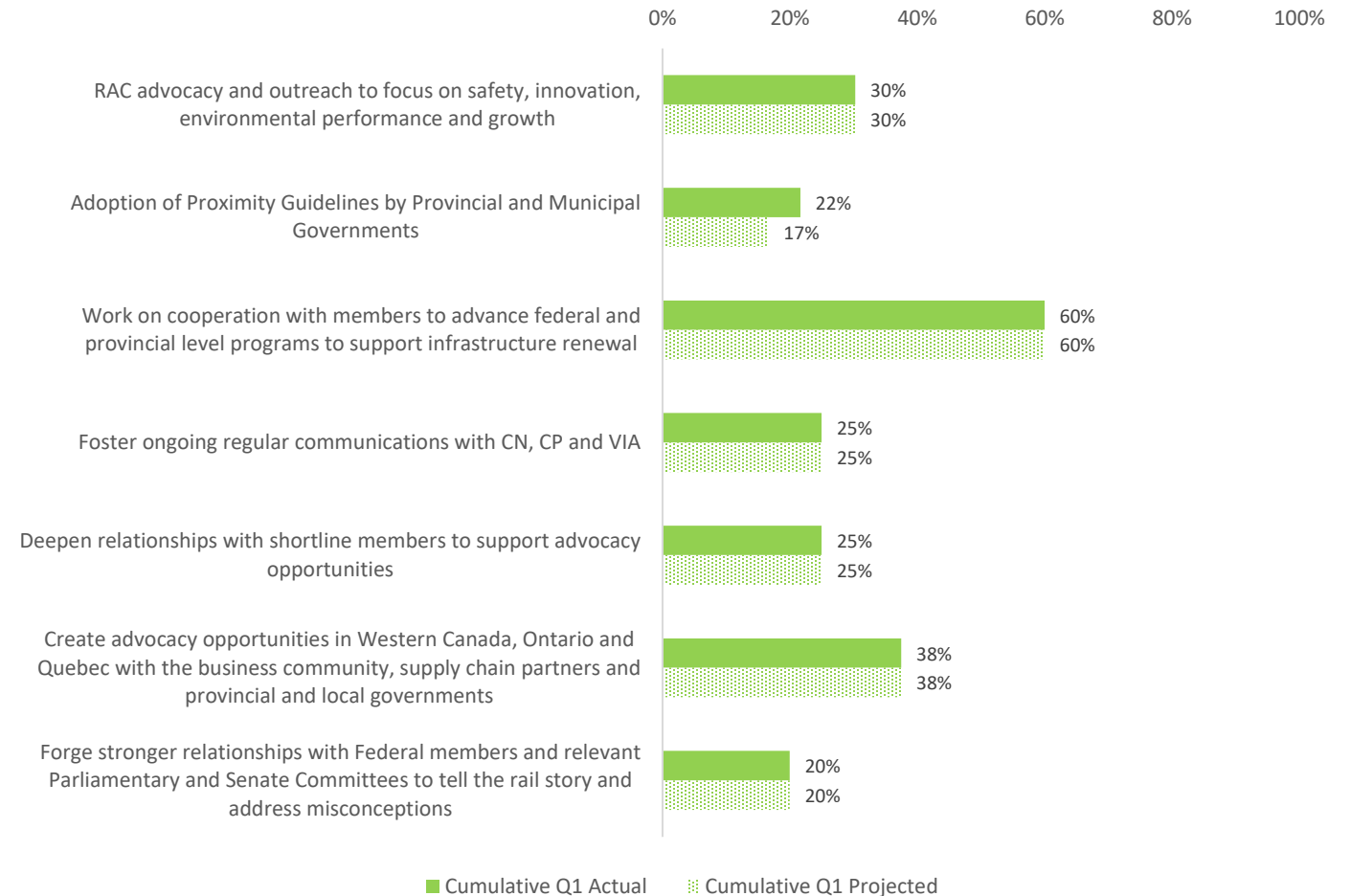
Communications and Media Relations - Key Deliverables - Status at Q1-2021



Advocacy and Outreach

- Federal budget support for rail
- Strong support from TC for proximity guidelines
- Increased awareness and outreach in Quebec and Western Canada
- Effective promotion of rail to a wider audience
- Continued support for shortlines

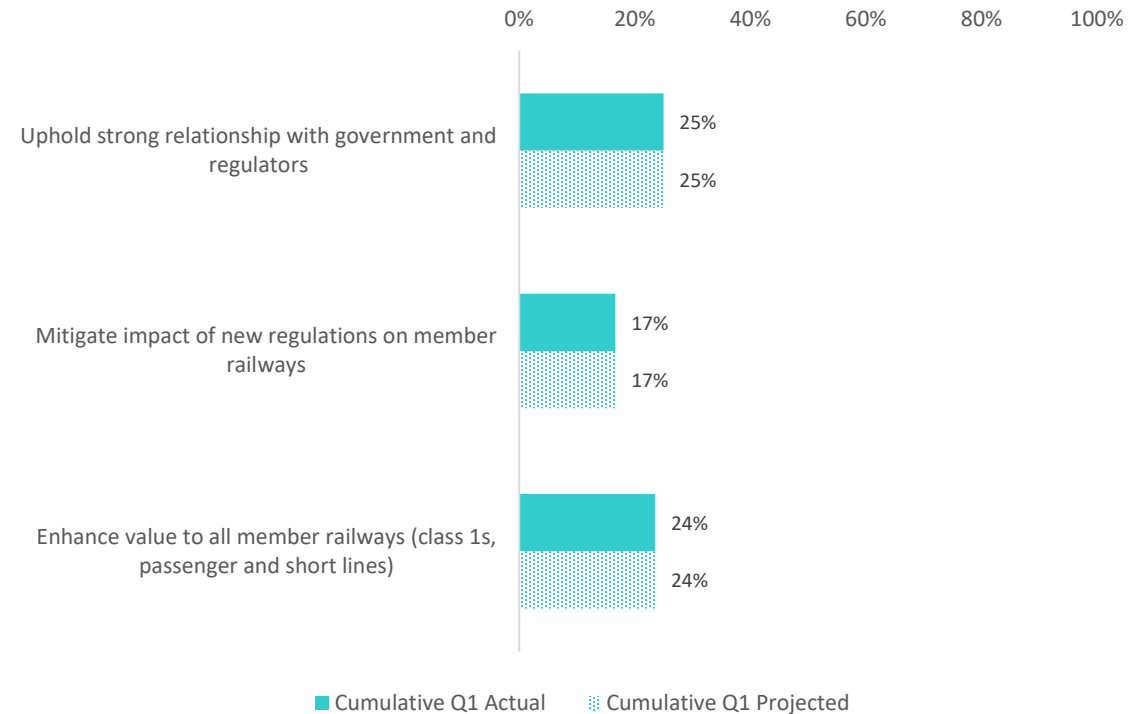
Public and Corporate Affairs - Key Deliverables - Status at Q1-2021



Rules and MO's

- Important progress on Ministerial Orders
- Making important headways on several TC regs
- Continue to engage with TC and FCM on grade crossing extension

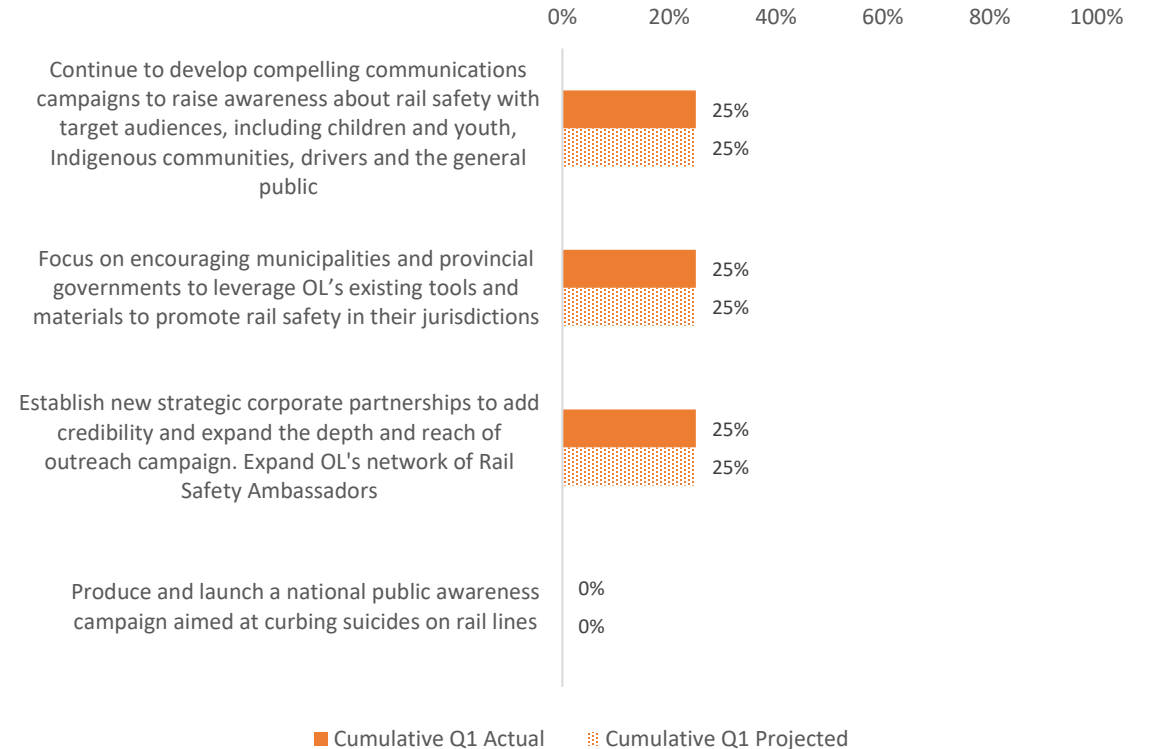
Railway Operations and Regulatory Affairs - Key Deliverables - Status at Q1-2021



Renewed Funding and Media Campaigns

- TC renewed OL's 3-year funding envelope
- Social media and radio campaign focus for rail safety messaging
- Proactive municipal and provincial outreach
- Launch of suicide prevention campaign

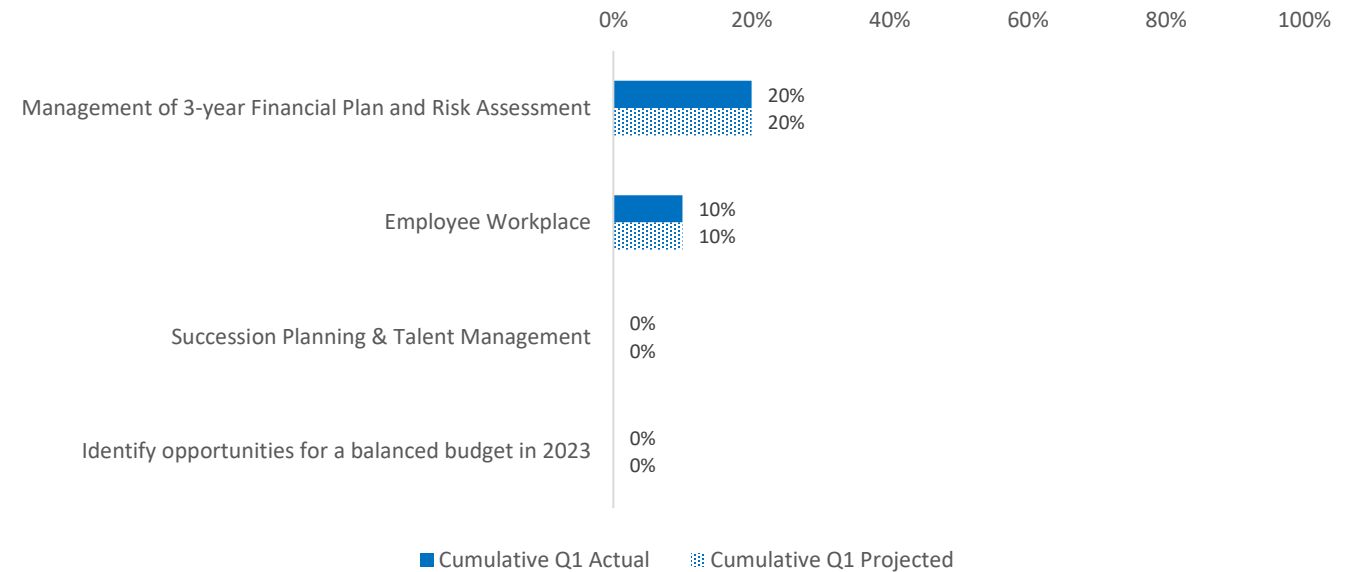
Operation Lifesaver - Key Deliverables - Status at Q1-2021



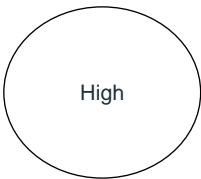
Business Plans and Reviews

- Strong financial position post-COVID
- Quarterly reviews with new staff members
- Ongoing use of performance metrics dashboards
- Net assets review for 2022 budget

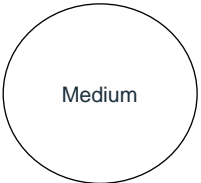
Finance and Operations - Key Deliverables - Status at Q1-2021



Key Risks Heat Map (Current vs. October 2020)



Can materialize immediately



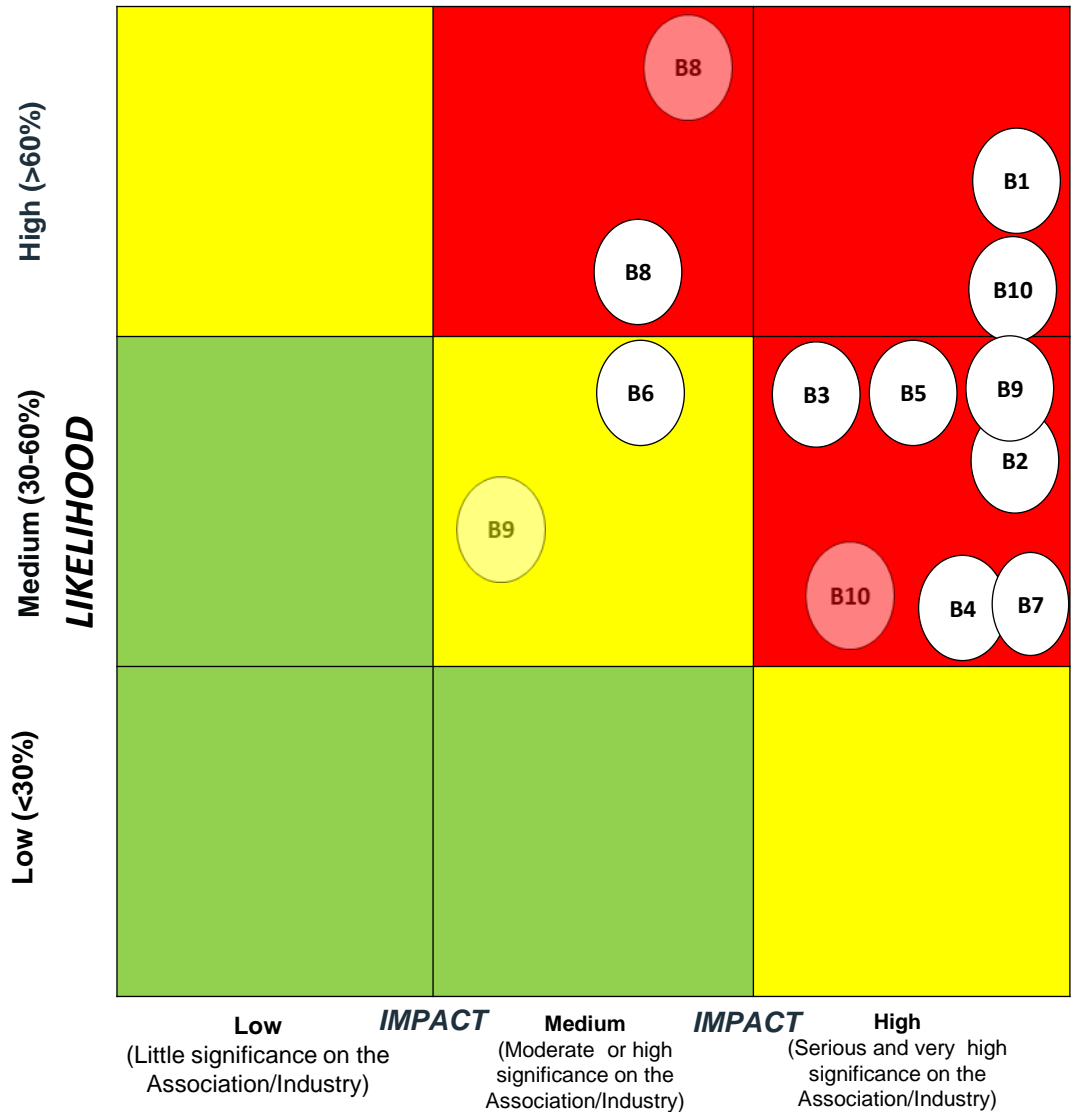
Can materialize within weeks



Can materialize within months

LEGEND RISK

LOW
MEDIUM
HIGH



- B1 – ENHANCED TRAIN CONTROL (ETC)
- B2 – INFRASTRUCTURE INVESTMENTS
- B3 – PROXIMITY INITIATIVES
- B4 – DRUG AND ALCOHOL TESTING
- B5 – SHORTLINE CAPITAL IMPROVEMENTS
- B6 – ROLLAWAY PROTECTION
- B7 – TRACK SAFETY RULES (MO/ 20-07)
- B8 – COVID-19 REGULATIONS & PROTOCOLS
- B9 – FATIGUE RISK MANAGEMENT REGULATIONS
- B10 – GRADE CROSSING REGULATIONS

6.3 RAC Talent Recruitment and Retention Update

RAC has added to the team the position of Digital Media Specialist to support the Communications and Media Relations initiatives outlined in the strategic plan.

The vacant Director Regulatory Affairs position was recently filled. A comprehensive onboarding program is underway for Michael Barfoot who joined the RAC team April 26, 2021.

Succession Planning

3-Year financial projections include succession planning costs for identified positions. The following is a summary of number of employees within the average retirement age:

Average Age of Employees **49 years**

Average Tenure at RAC **7 years**

Employees within 1-2 years of retirement **2**

Employees within 3-5 years of retirement **4**

	#ee's	Avg Tenure
# Employees over the age of 65	2	14 years
# Employees aged 60-65	4	14 years
# Employees aged 55-60	2	8 years
# Employees below 55	13	5 years
Total Employees	21	7 years

CONFIDENTIAL

2021 Performance Objectives – Marc Brazeau, President and CEO

Category: Leadership and Coaching (25%)		
Objective; Increase Leadership and Coaching Effectiveness	Metric	Results End of Year
Actions <ul style="list-style-type: none"> • Provide ongoing coaching to direct reports in order to increase efficiency • Support leadership team in building individual professional development plans • Hold team members accountable on business plan priorities and actions 	<ul style="list-style-type: none"> • Identify, agree on and track business plan priorities for each direct report • Hold weekly senior leadership team huddles • Hold quarterly staff meetings • Oversee talent recruitment and retention • Hold annual offsite leadership retreat 	

Category: Communication and Member Engagement (25%)		
Objective; Improve Communication & Increase Member Engagement	Metric	Results End of Year
<p>Actions</p> <ul style="list-style-type: none"> • Create alignment with Board on key priorities and business strategies • Improve the quality and effectiveness of RAC communications and member outreach • Collaborate with all members on key strategic plan priorities • Close collaboration and regular communications with AAR 	<ul style="list-style-type: none"> • Board to receive business plan priority updates (see attached dashboard) • Members to take part in regular webcasts for update on key industry issues and projects • Deployment of effective communication plans and actions in a more timely, agile and tactical manner on behalf of industry when required • Two face to face meetings per year between RAC-AAR senior leadership teams 	

Category: Industry Promotion and Outreach (25%)		
Objective; Create stronger ties with shipper groups and key stakeholders	Metric	Results End of Year
<p>Actions</p> <ul style="list-style-type: none"> • Build strong outreach program with key shipper groups • Strengthen relations with key Indigenous groups • Improve Provincial advocacy programs to address key industry issues such as land use planning and Operation Lifesaver • Promote career opportunities in the rail sector • Develop staff knowledge of the rail business and operations 	<ul style="list-style-type: none"> • Increase presence at key shipper events and meetings and maintain stronger ongoing communications and relations • Develop and implement Indigenous outreach program with support of railways • Increase awareness and adoption of Proximity Guidelines by provinces and municipalities • Host regional meetings to better inform and educated provincial and federal policy makers of the importance of rail sector • Added visibility, importance and profile for the rail sector through specific programs such as Right Track and Operation Lifesaver • Launch career promotion campaign to increase interest in working in rail sector • Subject matter expert presentations to staff 	

Category: Safety and Innovation (25%)		
Objective: Create a Safety Culture and Showcase Innovation in rail sector	Metric	Results End of Year
Actions <ul style="list-style-type: none"> • Ensure RAC is helping effectively shape government policy and decision making on railway safety • Lead RAC's rail safety strategy and plan based on recommendations and directives from Minister of Transport • Support corporate partnership strategy and plan for Operational Lifesaver and build more nationwide support for the program • Grow railway participation in RAC's Safety Culture Initiatives 	<ul style="list-style-type: none"> • Increase awareness of and showcasing of railway innovation and technology with key partners such as CARL, NRC and TTCI. • More TC support for OL program • Successful implementation and/or progress on ministerial orders and TC regulations • Total number of railways who complete safety culture training 	

7.1 **PROPOSED 2021-2022 RAC BOARD AND AGM MEETINGS**

The proposed schedule for the RAC Board of Directors Meetings and next Annual General Members Meeting is noted below.

Fall 2021 Board of Directors Meeting

TIME: TBD
DATE: Thursday, October 14, 2021

PROPOSED LOCATION: TBD

Spring 2022 Board of Directors and Annual General Members Meetings:

TIME: TBD
DATE: Wednesday, May 11, 2022

PROPOSED LOCATION: Ottawa – Venue TBD

Fall 2022 Board of Directors Meeting

TIME: TBD
DATE: Thursday, October 13, 2022

PROPOSED LOCATION: TBD

Resolution 2021: Upcoming Meetings
<p>It is moved by _____ and seconded by _____ that</p> <p>the dates for both Fall 2021-2022 Board Meetings and Spring 2022</p> <p>Board Meeting and AGM proposed above be adopted.</p>



9 ADJOURNMENT

Resolution 2021: Adjournment
There being no further business, it is moved by _____ and seconded by _____ that the meeting be adjourned.

The CHAIR thanks the members for their participation and declares the meeting
adjourned at _____ hours.

APPENDIX



Railway Association
of Canada



PEOPLE. GOODS. CANADA MOVES BY RAIL.

Marc Brazeau, President & CEO



About RAC



We're the voice of Canada's railway industry



Representing over 60
freight and passenger
railways



With 60 industrial railways
and rail supply company
members



Over 100 Million
passengers annually



\$320 billion worth of goods
moved annually

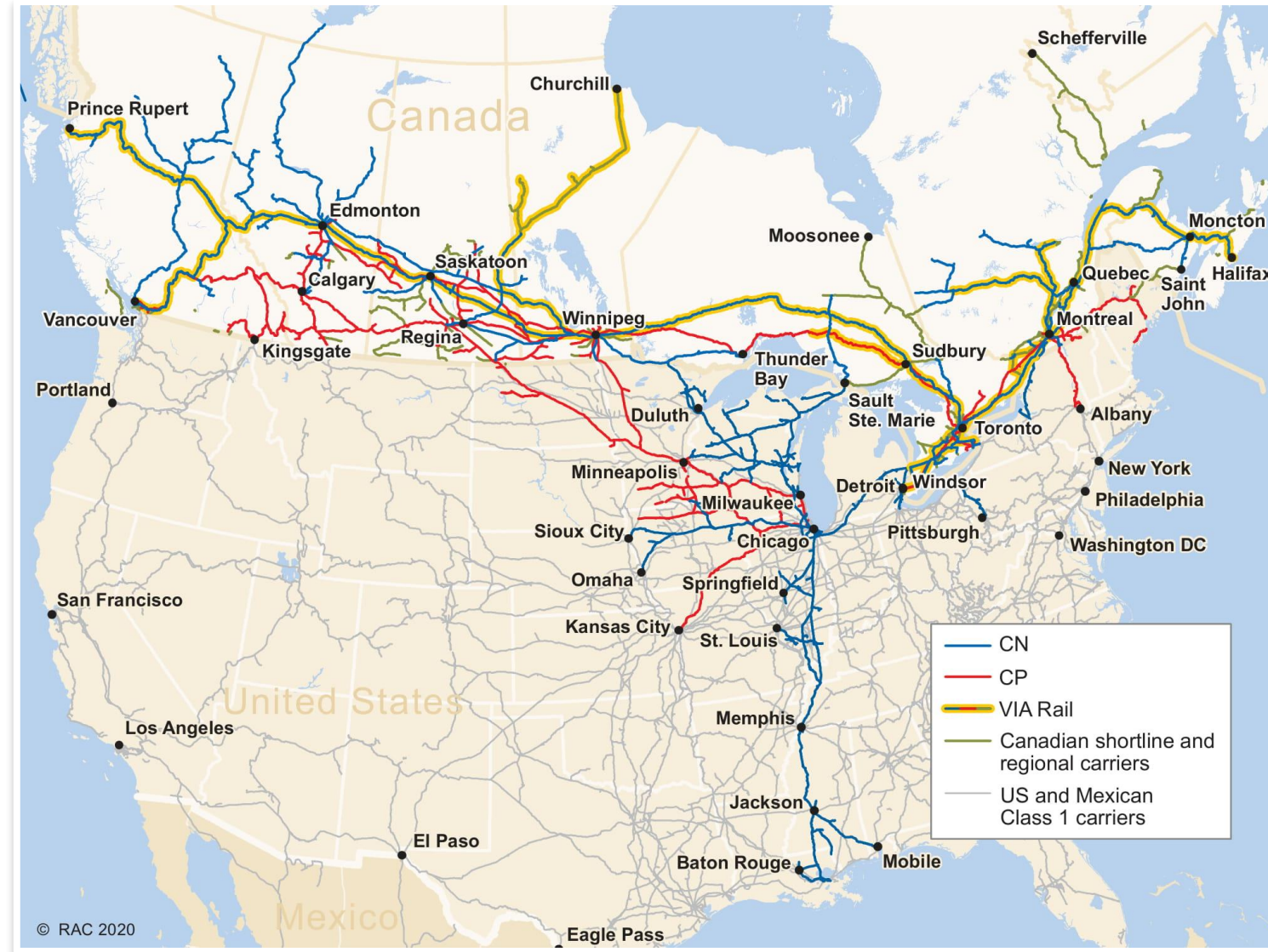


Canada's Rail Network

5th largest network in the world

12% larger than highway system

Both Class 1 railways operate large U.S. networks



The Impact of Canada's railways



Impact of Canada's Railways



Infrastructure

42,865

kilometers of
track operated



Taxes

\$2.1B

paid in taxes in
2019



Employees

173,00

jobs supported
by rail¹



Freight

455.8B

revenue tonne
kilometers



Investment

\$3.1B

in private capital
investment in 2019

Source: Rail Trends Database | 1 Conference Board of Canada and RAC



Taxes & Investments by Shortlines



\$55.7 million

In provincial taxes paid
by shortlines



\$101.5 Million

Invested by shortlines across
Canada*



\$16.6 million

In federal taxes paid
by shortlines

*Excludes Ontario Northland Transportation Commission



MOVING DANGEROUS GOODS SECURELY. WE'RE ONBOARD.

Canada's railways transport essential but dangerous goods like fuel and we deliver 99.99% of those loads safely, without a single leak.

See how we do it at railcan.ca



INVESTING IN RESILIENCY & SAFETY WE'RE ONBOARD.

Canada's railways have a strong safety culture, supported by investments of \$18.5 billion of improvements to rail infrastructure over the last decade.

See how we do it at railcan.ca



Railway Association
of Canada



INNOVATION AND SAFETY. WE'RE ONBOARD.

With safety always paramount, we are delivering what Canada needs to rebuild and innovating along the way.

See how we do it at railcan.ca



Railway Association
of Canada





The Railway Association of Canada
901-99 Bank Street
Ottawa, ON
K1P 6B9

People. Goods.
Canada moves by rail.



**Railway Association
of Canada**